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## Near East/South Asia Report

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3 MARCH 1987

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## ARMENIAN AFFAIRS

### RAFSANJANI SAID TO BE CHIEF OF ISLAMIC JIHAD ORGANIZATION

Istanbul MARMARA in Armenian 25 Nov 86 p 1

[Text] Musa Suleyman Ameri and Ali Kent, two terrorist diplomats arrested in Ankara in connection with the killing of Jordanian Diplomat Zaid Sati, continue to make disclosures and accusations concerning the methods of operation and secrets of the Islamic Jihad organization. The trial of these accused and their fugitive collaborators will begin before the State Security Court today.

According to HURRIYET, Ali Kent has made a number of new and serious allegations against the Islamic Jihad, asserting that the head of this organization is no other than Rafsanjani, President of the Iranian Parliament. Rafsanjani is a very influential man in Iran, the heir to Khomeini and the founder of the Islamic Jihad organization which is for him not so much a clandestine organization as it is an army of 500,000.

Ali Kent claimed that Islamic Jihad's ties with Syria have diminished of late and Jihad members are now developing ties with the Bulgarians instead. Musa Ameri, who played the leading part in Sati's murder, is also accused of other crimes but he will go on trial today only for this crime as the investigation into other allegations are yet incomplete. Ameri had Sati killed simply because he was upset by some of his movements. The order for the killing came from Syria.

Numerous other terrorists are also being tried with Ameri for involvement in the killing. But some of them, for whom the death penalty is being asked, have managed to escape and are untraced.

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## ARMENIAN AFFAIRS

### ASALA REPRESENTATIVE THREATENS TURKEY

Istanbul MARMARA in Armenian 11 Nov 86 p 1

[Text] Armenian and Kurdish separatists spoke on the second day of the Conference on "The Rights of the Peoples and Liberation Movements" that has been going on in Athens for several days. In their absurd speeches, they reiterated their claims on parts of Turkish territory and made various fanciful allegations against the country.

Huseyin Yildirim, representative of the Kurdish Liberation Movement, claimed that the Turkish State is currently using an army of 700,000 men and modern arms to fight the Kurds in Eastern Anatolia and, in various parts of Europe, there are systematic attempts at intimidating the Kurdish people.

Bedrossian, the ASALA representative, claimed in turn that human conscience demands that Turkey should admit that there has been a genocide. However, even if this admission is made, ASALA will not cease the struggle which the Armenian people have embarked upon to repossess their lands.

Bedrossian claimed that the Turkish State has embarked upon the elimination of all Armenian traces in Eastern Anatolia, particularly in recent years, and is pursuing this policy with vigor. The ASALA representative stated that they had closed the chapter on knocking on various doors in the hope of obtaining their rights and that, in the end, they would resort to brute force as the only means of securing the return of their occupied land.

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## ARMENIAN AFFAIRS

### PLO REPRESENTATIVE IN ANKARA REFUTES ASALA CLAIMS

Istanbul MARMARA in Armenian 12 Nov 86 pp 1, 4

[Text] Abu Firaz, the man in charge of the Ankara office of the Palestine Liberation Movement, declared yesterday that the allusions and claims made by ASALA in Athens are not correct as the PLO regards as its enemies only those who are the enemies of the Palestinian people but that if there is any cooperation between the enemies of the Palestinian people and ASALA, then quite naturally it is necessary to class the latter too as enemies. Referring to a report in VRADINI, Abu Firaz said that the claims that the PLO offices in Athens and Nicosia report to the Turkish authorities on certain activities and secrets in Southern Cyprus are entirely without foundation. In this connection, Abu Firaz made the following confirmation: "We, as the PLO, are engaged in a struggle against the enemy which has occupied the lands of our fatherland by force. And all individuals and organizations must know that we naturally regard all who cooperate with our enemy as our enemies and we struggle against them, too. On the other hand, all those who support our cause and assist us in our struggle are our friends and Turkey is in the front ranks of our friends.

Abu Firaz recalled that the duty of the Palestinian offices in Nicosia and Athens is to struggle against the enemies of the Palestinians and the collaborators of these enemies. Nevertheless, Abu Firaz declined to make any direct reference to ASALA and its activities; he neither confirmed nor denied the claim of the Armenian organization, confining himself to saying that the PLO works in the interests of the Palestinians and pays no need either to ASALA's or Israel's claims, and that PLO's activities and statements deal only with the Palestinian cause and with the interests and rights of the Palestinians.

A journalist asked Abu Firaz whether ASALA was their ally or enemy. The Palestinian leader replied that they have no working agreement with this Armenian organization and the latter is not PLO's ally. But if ASALA is involved in cooperation with the enemies of Palestinians, this means that it has engaged itself in a conflict with the PLO too. It is up to the ASALA leaders to draw the necessary conclusions and determine their stand, Abu Firaz concluded.

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## ARMENIAN AFFAIRS

### ASALA BLASTED BY LEADER OF SPLINTER GROUP

Instambul JAMANAK in Armenian 31 Oct 86 p 1

[Text] Ara Toranian, a leading figure in the organization known as "The Armenian National Movement," has told the Belgian LE LIBRE BELGIQUE that in view of the degeneration of ASALA's terrorism he left the organization some 6 months before the Orly outrage and now continues the struggle in an entirely different guise.

He said that Turkey should be the real and sole target of these actions.

Torianian added that ASALA now only harms the Armenian cause as it is engaged in solely terrorist activities.

Compelled to admit that Hagop Hagopian is a criminal and the acts of terrorism committed by ASALA under his leadership have now decelerated, Ara Toranian stated that the struggle will be modified to continue the struggle in Turkey alone.

Torianian said that he became aware early in 1980 that there were terrorist cells in ASALA which were headed by Hagopian's men trained in Palestinian camps and these eventually gained control of ASALA's leadership and caused the organization to deviate from its goal.

Torianian said that as a result of a disagreement, ASALA and the Armenian National Movement split of January 1983, adding that ASALA also split into two factions, one headed by Mont Melkonian who rejects indiscriminate terrorism and the other became Hagopian's pro-terrorism group.

Torianian said that ASALA sought and found the sources it regarded necessary for expansion from outside Armenian circles and he pointed out that these include states and organizations but he did not name them.

Organizations based in Western Beirut took an interest in ASALA, with a more an more often heard name in the world of terrorism, keen to exploit if for action in various parts of the world. Toranian added that Abu Nidal's Armenian equivalent is Hagop Hagopian.



Ara Toranian said that Hagop Hagopian is a man who is ready to do the bidding of states looking for somebody to serve their interests and stated that Hagopian has no claim on the Armenian cause anymore.

Toranian admitted that the faction headed by Mont Melkonian has no wish to plant bombs at street corners but aims "gradually to move the struggle to Turkey," adding that the struggle will continue despite the realization that wresting back the so-called Armenian lands will be a difficult task. It is reported that the Lebanese police, with the help of the Syrian security forces, have apprehended the murderer of the French military attache, Christian Goutierre.

The Paris FRANCE SOIR reports that the attache, killed on 18 September, was a victim of ASALA's terrorist actions.

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## ARMENIAN AFFAIRS

### BRIEFS

MELBOURNE TURKISH CONSULATE EXPLOSION ARREST--As we reported yesterday, eight Armenians--including three women--were taken into custody in connection with the explosion in the building where the Turkish Consulate in Melbourne is located. It is reported that one of these has been placed under arrest and another released. The investigation concerning the remaining six continues. Security authorities in Melbourne have disclosed that the arrested person is Levon Demirian, a restaurant operator in Melbourne. Levon Demirian is regarded as the main culprit in the bomb incident in view of the discovery of evidence that he was closely connected with the Armenian terrorist shot to pieces in the explosion. The outrageous act was entirely organized by Levon Demirian. The authorities are investigating the possibility that these persons may have played a role in the case of the murder of the Turkish representative in Australia some time ago. [Text] [Istanbul MARMARA in Armenian 26 Nov 86 pp 1, 4] 13184

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CHANGES IN EXPORT POLICY DISCUSSED

Algiers EL MOUJAHID in French 8 Jan 87 pp 1, 3

[Article by A Bahmane: "From Cyclical to Structural"]

[Text] As an answer to the international economic crisis and to mitigate as much as possible the sharp drop in oil prices, exports, other than hydrocarbons, have become an important focus of interest. It involves, in particular, going beyond the stage of cyclical operations in order to establish structural trade flows with foreign countries.

While they contributed to revitalize the western economies in 1986, the sharp drop in oil prices, weakening of the dollar and decrease in interest rates worsened the exchange rates of developing countries. Prospects remain foreboding for 1987 and, according to the experts, the international scene will be characterized by the development of protectionism by the western countries and by a further worsening of the economic situation of the Third World.

In this dependent situation, Algeria, which experienced a sharp reduction in foreign revenues and saw its balance of payments lose 70 to 80 percent of its buying power, undertook the reorganization of its imports, giving, however, preferential treatment to the expenses earmarked for the means of production and to the fulfillment of basic consumption needs.

The search for new financial resources likely to compensate for the lack of earnings due to the world economic crisis becomes a top priority: The operators of the economic sector are called upon to increase, very rapidly and substantially, the agricultural, industrial and service bases in order to maintain the basic balances and pursue the growth effort.

It is in that context that the export of products, other than hydrocarbons, is incorporated, those products, that is, that are likely to promote the national production system into mobilizing its capacities and strengthening activities with strong economic productivity, particularly, those requiring little raw material and imported semi-finished products and yielding a strong added value.

While exports were the leitmotiv of the national economy in this crisis year, it remains that some 15 measures had already been taken by the council of

ministers as early as 1984, some concomitant ones of a general nature and some specific ones of encouragement and support. It would be useful to recall that these decisions, moreover still standing, had given priority to the international market and to the foreign importer, when surpluses are available for exports, the foreign partner being scheduled to receive one product with the best performance, usually produced as part of the yearly output.

In order to ensure that the enterprise would have the means to take charge of this export task in a well organized manner, it was decided to strengthen existing organizations and to create new ones to handle transit, transportation, insurances and banks. The convertible export-dinar account for private enterprises was reestablished to that effect and public sector exporters were given credit cards to be used during preliminary, promotional or business discussions.

In order to guarantee the adaptation of sales techniques to the conditions of the international market, the exporters were authorized to use the mutual agreement procedure, the enter into business relations with commercial agencies and foreign import-export enterprises and to sign exclusive and profit-sharing contracts. Provisions were implemented in order to organize systematically the existing regulation toward the promotion of exports and systems were set up to stimulate and integrate export objectives in the yearly production plans.

For products which are difficult to market and demand import-export compensations, a mixed export-import system was set up and organized by section on the basis of credits allocated to imports. Direct aid through price support involves manufactured and/or agricultural products having been subjected to at least partial processing in Algeria and necessitates assuming the difference between the cost price, taxes not included, and the sale price on the international market. The granting of price supports is however related to the integration rate of the integrated product and to the importance of its cost price in foreign currency.

Taking into account this new use of exports as part of the national production system, which was previously geared essentially toward imports and the domestic market and will therefore necessitate a period of adaptation, immediate results were not readily achieved. But the oil crisis spurred things on, particularly the mentality of various economic operators.

The fourth national development conference, drawing conclusions from the world economic situation and from the experience of these past 2 years in the matter of imports, proposed creating operational committees, which would swiftly make not only judicial but also economic decisions about the submitted export operations, as well as contributing to the knowledge of potential client countries through central, commercial and diplomatic support. The conference also requested the training of exporters, the finalization of export credit formulas and the creation of an export insurance bank and of exporters' associations, by sector or intersectorial.

For the middle-term, it recommends questioning the industrial policies to be promoted and the new action formulas capable of allowing a substantial contribution from goods and industrial service exports to the total exports structure.

Thus, it points out, there is a need for going swiftly beyond the present phase, namely, the export of cyclical surpluses, by creating structural foreign exchange trends in the framework of an international economic cooperation based on the balance of reciprocal exchanges.

# NATURE OF NASIRIST, ISLAMIST CONTACTS DISCUSSED

London AL-HAWADITH in Arabic 9 Jan 87 pp 22-23

[Article: "Will Secret Contacts Between the Nasirists and Islamists Bring Two Opposites Together?"]

[Text] When the Wafd Party and the Muslim Brotherhood entered into an alliance in the last elections, various political groups began searching for a plausible or implausible explanation for this strange, not to say abnormal, alliance between two diametrically incompatible, different and opposite orientations. How did the enemies of yesterday become the allies of today? How did they turn from adversaries to friends?

This kind of question mark had its justification. The "secular" Wafd Party sought to separate religion from the state, raising the slogan of "religion is for God and the country is for all." It called for the unity of the "crescent" and the "cross" and blessed Egypt's separation from the Islamic Caliphate. The Muslim Brotherhood is a group that, for the last half century, has sought to impose the Islamic Shari'ah and has opposed positive laws. It has done the impossible to change the individual and society with the Koran and the gun. So how is it that fate has brought them together into one front under the dome of the People's Assembly, the highest legislative authority in the country?

Most probably the thing that brought together and united the Wafd and the Brotherhood is the common enmity toward the 1952 July Revolution and the urgent and fervent desire to settle old accounts with it, and so they did!

At the beginning of 1986, it became apparent that this "fragile" alliance had served its purpose and old contradictions had begun eating away at its bones, with Shaykh Salah Abu Isma'il, the hard-line Brotherhood leader, leaving the Wafd Party to join, along with others, the Liberal Party. And before the year was over, a new crisis flared up, culminating in the expulsion of another group of Brotherhood leaders from the Wafd by order of party leader Fu'ad Sirraj-al-Din. Everyone became convinced that in politics, as in morality, what is built on falsehood is itself false!



Also, before the year was over, a new strange call emerged for an alliance between two conflicting incompatible currents which are (believe it or not) the Islamist current and the Nasirist current!

The one who made the call was 'Adil Husayn, editor-in-chief of AL-SHA'B newspaper that represents the opposition Social Labor Party and the youngest brother of Ahmad Husayn, founder of Misr al-Fatat [Young Egypt] Party. 'Adil Husayn was a hard-line Marxist turned Islamist who called for applying the Shari'ah. When he assumed the position of editor-in-chief of AL-SHA'B, he colored it with his new ideology, thus alarming (not to say angering) the Nasirists within the party, the members of the supreme executive committee in particular. Some interpreted his call--unexpected among Nasirist and Islamist ranks--as an appeal to rescue him and their representatives in the SLP from rebellion within the party, particularly in the next upcoming party conference when new executive committee elections and strict accountability will be taken from the grass-roots level all the way to the leadership level, of which the editor-in-chief of the party newspaper is a prominent member.

However, this interpretation, being promoted by some, does not invalidate its potential gravity nor does it dismiss the need to debate it, especially in the wake of new books confirming the existence of secret contacts between a Nasirist team and one from the Islamist groups.

The new call is based on the notion of forgetting the past with its struggles and differences and looking to the future, especially since the young generation called upon to form the Nasirist-Islamist alliance has not lived through that past and has not shared in its struggles and differences. Most of these young people were under 10 years of age when 'Abd-al-Nasir died (September 1970). They have inherited the past and have been caught in settling its accounts without having had any hand in shaping its events.

The struggle of the past actually controls political and party life in Egypt today. The (ruling) National P rty [NDP] calls the Wafd Party to account and deals with it as an old feudal party and not as a new one with vision and various positions. The Wafd Party still views its position toward the July Revolution and Jamal 'Abd-al-Nasir more important than present and daily issues such as the economic open-door policy, normalization of relations with Israel, etc. The Nasirists believe that their sacred and urgent task is to defend the July Revolution. The Islamists believe that the vicious attack on the July Revolution is an unavoidable task to be achieved before turning to current economic, social, political and party problems.

The various Islamic groups (about 35 in all) have come out from under the cloak of Sayyid Qutb, the one responsible for the ideas of charging society with unbelief and characterizing it as pagan. His book, "Landmarks Along the Way," is considered the standing constitution of those groups, the most prominent of which was the Islamic Liberation Party under the leadership of Salih Sarriyah, the "Muslim" group better known as "Takfir wa al-Hijrah," led by Shukri Mustafa, and al-Jihad Organization, which assassinated Anwar al-Sadat, led by 'Abd-al-Salam Faraj. Following a violent confrontation with the authorities, the leaders of those organizations were executed and most of their young members ended up in jail and detention camps. This harsh



punishment, however, did not prevent their survival (not to say flourish) and new generations carried on the task.

From the Muslim Brotherhood up to al-Jihad Organization, 'Abd-al-Nasir is considered in the Islamic current tradition a willful adversary worthy of the title of killer, dictator and perhaps harsher names. When he died, they refused to pray for him because, in their legal opinion, this was impermissible. In their minds, this was the man who toppled their leaders, put them in jail, tortured them, banished them and executed them when necessary. In brief, between them and him is revenge, blood and black days.

On the opposite side, the Nasirists face this hostility with another kind of hostility justified not only by their desperate efforts to defend 'Abd-al-Nasir, but also by the fact that the Islamic current forged an alliance with al-Sadat against them during the early years of his rule. Were it not for this alliance, the left would not have lost power and the opportunity to expose the regime's mistakes, from partiality toward the rich to throwing itself into American arms and from the economic open-door policy to peace with the enemy, would not have presented itself.

Moreover, the Nasirists believe that an alliance with the Islamic current is not permanent for the Islamists entered into an alliance with the Nasirists and the leftists in college in the early seventies and when they found that a bet on al-Sadat was more profitable, they turned against them and began stabbing them. When they got out what they wanted from al-Sadat, they double-crossed him and assassinated him.

How then can the Nasirist and the Islamic currents meet? How can enmity turn into friendship and the lake of blood into a lake of roses?

The father of the call, 'Adil Husayn, believes that it is possible to combine the positivisms of the July Revolution and the Islamic identity or, in other words, to create what could be called Islamic Nasirism (a term we have coined). For he sees no conflict between our aspiration for an Islamic renaissance and profiting from the 23 July positivisms. Indeed, I can almost say that a study of this experience and ensuing results is the basis of our success in leading the next and, God willing, successful renaissance.

If the Nasirists must not be astonished, our Islamist brothers--as he put it--must understand the principles of rule or the laws of ministry and the hardships of daily life. "We must examine and comprehend so that our efforts and sacrifices will not be in vain."

He adds: "We must turn history from nightmares and frustrations into provisions and experience for the future. At any rate, the differences of the present generation must focus on the problems of today, not on bygone things."

The call for an alliance, in one word, be it between the Islamic or Nasirist youth, has not been met with any kind of notable enthusiasm. The various sides have dealt with it as a domestic crisis the SLP is going through, no more no less.

This call has come to the surface, but under the surface secret contacts are occurring between Nasirists and representatives of the Islamic groups. The first result of such contacts will come to light in the next few weeks, for the "Arab Committee for the Eternal Memory of Leader Jamal-'Abd-al-Nasir" plans to organize an intellectual dialogue about Islam and Nasirism in which Shaykh Muhammad al-Ghazali, Shaykh Yusuf al-Qardawi and Dr Ahmad Kamal Abu-al-Majd will participate.

Leaked information about these contacts indicate that they began last July and have been accomplished so far in 20 joint meetings on various occasions. The Nasirist wing that has accepted this kind of dialogue is led by Farid 'Abd-al-Karim, attorney, founder of the Nasirist Socialist Party (under formation). He is one of the 'Abd-al-Nasir men who assumed leadership positions in the ASU. Furthermore, he is one of those al-Sadat jailed on 15 May 1971. As attorney for the defense, he pleaded the case of the al-Jihad Organization (along with another group of Nasirist lawyers) and pleaded the case of the defendants in the al-Sadat assassination case. He was the one who handled the court action for damages filed by Salah Abu Shadi, a Brotherhood leader, for the torture inflicted on him in the sixties in the Nasirist era. The case is still pending in court. It appears that his arguments on these cases gave him the opportunity to open a dialogue with the representatives of the Islamic current and later, it seems, he decided to expand the scope of this dialogue to include other Nasirists. The Islamic current was encouraged to join in the dialogue by the fact that he takes a pragmatic position toward the Nasirist experience. For he, at least, condemns torture and the human rights violations in the fifties and sixties.

Muslim Brotherhood press spokesman, Jabir Rizq, denied to ROSE AL-YUSUF magazine any contacts with the Nasirists unequivocally and in no uncertain terms, such as "this is completely unfounded." The denial was reiterated by People's Assembly member and old Brotherhood man Hasan al-Jamal who wondered in amazement: "Can two opposites meet?"

More than one wing in the Nasirist current rejects such contacts and views them as useless because the religious current "lacks a specific social program that can form the basis of a dialogue." The most prominent leaders of these wings are: Diya'-al-Din Da'ud, Muhammad Fa'iq and Sha'rawi Jum'ah?

To be sure, the Nasirists are the ones who initiated the contacts, but it is also certain that these contacts will end in failure for historical contradictions between the two sides are deep and practical contradictions between them are endless. Furthermore, there is fear of the Islamic current penetrating the Nasirist Party as did most other opposition parties. Experience has shown that the Islamic group can swallow up the Nasirists but not vice versa.

The Nasirists and Islamic group members are the most significant political forces without their own political parties. Most probably, contacts undertaken between the two factions are a kind of pressure on the government to allow them to form the parties they want. But must probably as well, the government will not give in to this pressure because it believes that it represents (in one way or another) both these currents together.

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## MINISTER OF FOREIGN AFFAIRS INTERVIEWED

Tehran KAYHAN AL-'ARABI in Arabic 10 Jan 87 p 5

[Interview with Sudanese Foreign Minister al-Sharif Zayn-al-'Abidin al-Hindi, by the editor-in-chief of KAYHAN AL-'ARABI: "We Are Trying To Return the Sudan to the Ranks of the Non-Aligned Nations"; Khartoum, date not given]

[Text] Mr al-Sharif al-Hindi, deputy prime minister and foreign secretary of the Sudan, as well as general secretary of the DUP, did not use flowery diplomatic expressions in his conversation with KAYHAN AL-'ARABI, nor did he use the expressions current in diplomatic corridors. Instead, he employed a style of complete frankness. The man is from a family that is considered one of the Sudan's most distinguished families in the fight [for freedom]. He was nursed on frankness and sincerity, and his personality has not been influenced by the methods used in the political market place, such as distortion of facts and tortuous claims. He embarked upon a broad struggle against the Numayri regime and actively participated in toppling the dictatorship. His view of international events concentrates on the need for the development of excellent relations between the peoples and countries of the Third World, because such relations will shrink the area in which the imperialistic countries can practice exploitation and plundering.

Here is the text of the warm conversation that the editor-in-chief had with Mr al-Sharif al-Hindi in Khartoum.

[Question] What is your evaluation of the situation in the South? Has the government arrived at significant results with the rebels?

[Answer] The government no longer needs to reach a solution with the rebels. The government has extended its patience for a long time, has raised the banners of peace, has called for a peace conference, and has created a ministry of peace. The rebels countered all of this with rejection and ingratitude and continued to resist the government. They have neither a clear goal nor a method. They have been asked repeatedly to clarify what the problem is for which they are fighting, but they have failed to define it and have refused to respond. A number of delegations from the various political parties have gone to them. The prime minister himself went to Addis Ababa, met the rebel [leader] Garang, and sat with him for 8 hours to learn the nature of the conflict and the nature of the issue over which Garang is

fighting. However, he was unable to clarify anything for him. He offered the rallying cry of peace, but the rebels responded by downing civilian airplanes, provoking the security forces, plundering their possessions, abducting their wives, using sabotage and violence in cities, blocking roads, and sinking boats. The government had to begin to carry out its responsibility. It therefore cleaned out the positions in which the rebels were hiding. The situation in the South could best be described as calm now. The principal airports, which had been closed, have been opened. Supplies, which had reached civilians in the South with difficulty, have begun to go to them by air, water, and land. The government is completely in control of the situation. God has turned their tricks against them, so that they have differed among themselves, quarreled, and fought with each other. We are now witnessing the last stages in the life of this rebellion in the South.

[Question] As general secretary of the DUP and as holder of the office of deputy prime minister, could you evaluate for us the coalition that exists between the Ummah Party and the DUP and give us your predictions about the future of this coalition?

[Answer] The Ummah Party and the DUP have been the two pillars of the Sudanese people's political and representative activity since independence. They are united by patriotic responsibility and concern for the nation.

Therefore, when the recent elections resulted in a large number of seats for the two sides, it seemed necessary for patriotic responsibility to be borne jointly between the country's two large parties, which represent the majority of the nation's inhabitants.

After the 6th of October (i.e., after the uprising), the two parties began to study the possibility of a joint strategy that would raise the country from its decline, confront the challenges that faced it, work to heal the long-standing wounds that afflicted it, and place it in the position that it had been accustomed to holding among the nations of the world. The two parties are now undertaking this job with vitality, energy, and full and complete mutual understanding. The harmony between them is exemplary, because each of the two parties competes with the other in bearing the patriotic responsibility that devolves upon both.

[Question] After the Rajab uprising, the foreign policy of the Sudan was marked by new features. As an architect of this policy, can you explain these features?

[Answer] Formerly, and before the now overthrown regime, Sudanese policy depended on the fact that the Sudan was one of the founders of the nonaligned movement. Even before becoming independent, the Sudan participated in the movement's first meeting in Indonesia, where Mr Isma'il al-Azhari, representing the Sudan, sat next to Sukarno, Nehru, Tito, and Jamal 'Abd-al-Nasir.

With strength and clarity, the Sudan completely embraced the policy of positive neutralism and nonalignment. It meant every term of the two slogans, raised them vigorously, and held to them.



Sudanese relations with other countries were based on mutual interests, combined international interest, exchange of experience, exchange of benefits, and on being a good neighbor.

When the now overthrown regime came to power, it confused this outlook and began to behave like a dependent and a subordinate, leading the country's foreign policy to a later stage of inaudibleness, obscurity, and partiality.

We are now trying to return the Sudan to the ranks of the nations that once knew the Sudan. We are trying to extend our hands to all peoples and governments and to remind the world, peoples, and governments of the fundamental character by which the Sudan was known historically and formerly. We are making every effort to this end, because some countries knew the now overthrown regime, but did not know the old Sudan. We are doing this through exchanges of visits, contacts, and opening dialogue on every side. The visits that the head of state has made and which the members of the State Council and Ministerial Council are making--all of these are visits to make known the spirit, position, and direction of the new Sudan.

We hope to succeed in recalling the image and memory of the Sudan that was a friend to all peoples and a friend to all governments.

[Question] How do you evaluate Sudanese relations with neighboring states, especially Ethiopia, now that its support of the rebels in the South has been proved?

[Answer] As I said to you, our constant slogan has been good neighbor relations with everyone.

As for Ethiopia, we have certain interests in common with it and have historical relations with it. Relations were proceeding normally, and the mutual understanding between us was clear, continuing, objective, and logical, until the current Ethiopian government came. It understands many issues in an erroneous way and has taken its impressions from certain events that have occurred within itself. Being worried about maintaining its own existence, it began to give an [erroneous] interpretation to the fact that some Eritrean brothers are staying on Sudanese soil as refugees and guests under our auspices. It suspected us of preparing another army to gobble up Ethiopian territory. We are not doing so in any way. The Eritreans are our brothers in Islam. Although they have demands that may not be illogical and that may not be opposed to Islamic and civil law, we are not using the Eritreans against the Ethiopians. We have called several times for opening the door to negotiation between the Eritreans and Ethiopians to solve the Eritrean problem with Ethiopia.

Suspecting that we were making use of this number of Eritreans, Ethiopia began to mobilize the Southerners within our territory. It began to prepare camps for them, obtain weapons, explosives, and mines for them, and move them onto Sudanese territory. This caused us enormous damages, which we bore patiently, even while knowing that the training camps to which Southern youth were going lay within Ethiopia. This movement then expanded.



We had full information about it and understood what was happening. Nevertheless, it expanded, and through Ethiopia the fingers of other international agencies became involved. The outlines of the movement became confused, and it came to be used as a stalking-horse for anyone who wanted to have a hand in disturbing security and stability in the country.

We informed our neighbor Ethiopia several times that we knew what was being organized on its territory and that Ethiopia was cooperating with them. Desiring good neighbor relations and having enough to keep us busy now domestically, we asked Ethiopia to keep hands off the affair, one which violated the decisions of the OAU, the agreements of leaders at various conferences, the UN Charter, and the consensus of international rulers. Ethiopia, however, continued in the error of its ways, until the rebel group split apart and its individuals began to turn their weapons against each other. Now it is gathering the results of its actions.

[Question] What are your predictions about the future of relations between the Sudan and the Islamic Republic of Iran?

[Answer] Iranian-Sudanese relations will have a full blossoming. These relations have existed from ancient times. We hope that the prime minister's visit to Tehran will give us an opportunity for broadening our relations with the Islamic Republic and for the exchange of mutual benefits for which we are all eager.

[Question] Iranian foreign policy toward Africa is making serious moves, and there are attempts in this area. How do you evaluate this movement toward the African continent in general?

[Answer] The Islamic Republic is an influential country in the world, and its relations with the countries of Africa are very promising. The Islamic Republic lies above suspicion because it has no territorial ambitions. It has a wide expanse of land. It does not wish to consume the resources of others, since, thank God, it is wealthy.

I therefore expect these relations to flower and to continue to grow day after day.

[Question] The war that has been forced on the Islamic Republic continues with all savagery. The Iraqi regime is continuing its stubborn refusal of the conditions that have been announced for ending the war. What is your point of view on this subject?

[Answer] Without a doubt, this war pains us, grieves us, and causes us anxiety. It delays the forces of growth at home and postpones attention to the common enemy that confronts us all. Without a doubt, we are all extremely pained because of it. We pray that God will end the bloodshed.

[Question] I regret to say that the Sudanese press is continuing a kind of obfuscation, misleading, and even distortion of the facts and reality of the

Islamic revolution and everything connected with the Islamic Republic, even in opposition to the announced policies of the government. What is your comment?

[Answer] The observation does indeed deserve consideration and inquiry. Without a doubt, I will talk to my colleague, the minister of culture and information, and we will see what can be done, God willing.

[Question] Concerning the OAU, what is the Sudan's position in this organization? In general, what is your evaluation of the activity of the organization and its prospects?

[Answer] Without a doubt, the OAU is making great efforts to draw the points of view of the African states closer together. It is an important factor in uniting the different African points of view, in preparing for an exchange of benefits, and in raising a united African voice capable of telling the world that the African states are states whose problems are nearly the same and whose interests are nearly the same.

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CSO: 4504/107

## BRIEFS

SOUTHERNERS DEMAND THREE GOVERNORATES--Mr Joshua Dei Wal, the minister of local governments and leader of the People's Federal Party, said that his party was among four parties that met with Prime Minister al-Sadiq al-Mahdi and demanded the formation of a coordinating council, with the prime minister to appoint the three civilian governors for the three regions, as against two political parties that are demanding establishment of an executive council for the South. He added that the restoration of the executive council had taken place during the transitional period with guidance from these parties, and that the parties were affirming that if this were carried out, Colonel John Garang would return to the country. He said that the Southerners were now demanding decentralized government, with each of the southern regions to become a governorate, and added that they would take this point of view of theirs to the constitutional convention. The minister indicated that refugees in the South were dying of hunger, disease, and civil war, and that "we are now trying to find shelter, food, and schools for those displaced by the war." There are some politicians who are trying to involve them in a collision with the authorities in Khartoum. The minister urged all citizens, especially Southerners, to strive for peace, stability, and national unity. He added: "We pray to God that there will be no bloodshed this year." At the end of his statement, the Mr Joshua [Dei Wal] said that they would review their stand and that they would make a decision later, if these parties continued to demand the establishment of a high executive committee. [Text] [Khartoum AL-SIYASAH in Arabic 11 Jan 87 p 1] 12937

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MOROCCAN OPPOSITION LEADER ADDRESSES MDS CONFERENCE

Tunis AL-MUSTAQBAL in Arabic 30 Jan 87 p 4

[Article: "Abderrahman Youssefi: Democracy Is the Salvation from Domination and Backwardness"]

[Text] Mr Chairman:

In the name of the politburo of the Socialist Union of Popular Forces [USFP] in Morocco, and on behalf of its first secretary, Abderrahim Bouabid, I bring to your second conference greetings from your Moroccan socialist brothers, combined with the warmest expressions of appreciation and praise for the struggles and sacrifices your battling movement has offered since its creation to bolster democratic awareness in fraternal Tunisia and to raise the level of Moroccan and Arab solidarity with the venerable Tunisian people.

We in Morocco have followed with continued interest and growing sympathy your arduous struggle and unending sufferings since your last conference. We have made note of all the difficulties and ordeals you have encountered and the exorbitant material, physical and moral price you have paid. We have also assessed the various positions your leadership has adopted with responsibility, courage and foresight, thus lending the Movement of Socialist Democrats radiance and credibility, not only among the Tunisian masses, but also in the eyes of Moroccan, Arab and international public opinion.

The popular masses in our countries have realized that democracy is the key to salvation from domination and backwardness and the rightful way to determine our destiny, as well as the beneficial tool for participating in liberation, construction and unity and the weapon that can reply to all the challenges threatening their existence.

These dear words have become the ABC of political, social and economic sciences, as underscored by the failure and defeat of all experiences built on a non-democratic system, whatever its many shapes and forms, on the various continents, developed and underdeveloped alike. The flock of legions of young people into the streets of various world cities from Paris to Beijing, passing through Melilla and Constantina, is a reaffirmation of the power of the democratic slogan and the necessity to realize it.

What is strange, however, is the fact that our rulers and political adversaries are themselves advocates of democracy, as manifested in their political speeches and some of their basic decisions, such as the issuance of constitutions with a democratic touch and the ratification of a number of international agreements on the protection of human rights and basic liberties.

The problem in our country is not so much a conflict between the partisans of democracy and the advocates of dictatorship as it is the legitimate demand the ruled have submitted to the rulers to apply constitutional and international criteria to which they have committed themselves nationally and internationally and the demand that they not distort or breach them via certain legislation, administrative practices and legal judgments far from the spirit of these criteria. This is what envelops the battle being fought by the opposition parties, such as ours, with the kind of difficulties and complexities that are compounded by the stark absence of evenhandedness in the work media, led by the mass media.

The Socialist Union's struggle for the sake of democracy in Morocco is almost 30 years old, or almost as old as the entire independence era. If we are to assess the results of all the battles we have entered, all the sacrifices we have offered, at times in the form of martyrdom among our ranks and our leaders, we do not get the apparent feeling that we have achieved a tangible rise with regard to the way things used to be. Indeed, there may be a feeling of some ebb. The real result, however, and the positive aspect in fact lies in the qualitative deepening of democratic awareness in Moroccan society and in the ability of the democratic Moroccan forces to resist, oppose and withstand in the face of the counter-trend that can only impose its ostensible supremacy by resorting to those tactics that we all know.

Do you remember, dear brothers, that old democratic forces in European countries like Portugal and Spain did not meet with success until after almost half a century of struggle and sacrifices.

I have evoked all these elements to guide me in presenting our conviction in the Socialist Union that the battle of democracy is the most difficult and exhausting of battles, for it is a political investment, not of short term, but of inevitable returns. History has also taught us that the democratic process in some countries has been able to shorten some phases for various reasons, including the fact that they were reinforced by the solidarity of friendly and fraternal democratic forces.

This phenomenon deserves thought and contemplation on the part of the North African democratic forces.

Mr President:

We are at the doors of the year 1987 which will be replete with activities and struggles, as established by your blessed conference. I ask your permission, however, to call attention [to the fact] that 1987 is also the year of Palestine in view of it being the 40th anniversary of the partition of Palestine, the 20th anniversary of the occupation of the whole of Palestine



and the 5th anniversary of the invasion of Lebanon and the Sabra and Shatilla massacres. No doubt every Arab organization in every Arab country will undertake whatever actions it deems appropriate on this occasion.

We in Morocco have at our disposal a national association for the support of the Palestinian struggle made up of all parties and union organizations. Therefore, I would like to bring up with you, as we approach a time period during which it is incumbent upon us to intensify our solidarity with the Palestinian people and to mobilize Arab and international public opinion, to impose the holding of the international conference on the Middle East for which the UN has been calling since 1983, an international conference in which all concerned parties, including the PLO, the sole legitimate representative of the Palestinian people, will participate, the possibility of forming a "North African Committee for Solidarity with the Palestinian People" to coordinate the activities of the North African organizations concerning the only cause that has won their commitment and consensus, the fateful cause of Palestine.

Peace Be With You

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# CROP REALLOCATION PLAN DISCUSSED

Amman JORDAN TIMES in English 3 Jan 87 p 3

[Text]

AMMAN (Petra) — Jordan's application of the agricultural patterns system in the 1985-86 agricultural season has been successful, and has helped reduce the amounts of surplus crops and increase the production of commodities in high demand on the local and Arab markets, Minister of Agriculture Marwan Hmoud announced.

He said that surplus production of traditional crops like tomatoes, eggplants and marrows has now dropped, which led to an improvement of their prices, a beneficial result for local producers.

Areas grown with tomatoes before the application of the system were estimated at 137,000 dunums, but after the application of the system, they dropped to 81,000 dunums, and those allocated for eggplant dropped from 49,500 dunums to 25,000, and marrows from 48,000 to 29,000 dunums, the minister said in a statement to the Jordan News Agency, Petra.

Mr. Hmoud said that Jordan has been applying the system since the 1984-85 agricultural season, when 110,000 dunums were covered by this system; in the 1985-86 season, the areas included in the system rose to 387,000 dunums; in the 1986-87 season they are expected to rise to 407,000 dunums in the Jordan Valley and the higher lands, fed by rain.

The minister said that the application of the agricultural patterns system is intended to achieve the following objectives:

- Meeting the local market's needs of crops and reducing imports.
- Limiting the amount of certain crops to be produced so as to prevent huge surpluses which used to create problems in marketing and brought down the prices of crops.
- Increasing the farmers' income by selling crops of different types at higher prices.
- Making better and more economic use of water resources with saved quantities helping to reclaim new areas.

The minister referred to a recent survey conducted by the Ministry of Agriculture which points to the fact that the initial application of the agricultural patterns system led to the achievement of self-sufficiency of Jordan in the production of pepper, tomatoes, marrows, cauliflowers, cucumbers, eggplants, cabbages and melons, which were up by 415 per cent, and that of wheat, barley, potatoes, onions and water melons up by 55 per cent.

The past years witnessed a great expansion in the production of tomatoes, eggplants, marrows and cucumbers under plastic cover in the Jordan Valley; the excess production used to cause difficulty

in marketing the surplus crops, the minister said.

Recently, he said, the Ministry of Agriculture started encouraging local farmers to produce onions, potatoes and cereals, which are in continuous demand in the country.

The ministry adopted these measures after studying the country's needs for different crops. It continues to help farmers process the surplus if no markets are found for the surplus abroad, the minister said.

To encourage farmers to apply the agricultural patterns system, the minister said, the government has decided to offer subsidies in the form of financial help to farmers at the rate of JD 10 per dunum for tomatoes in the Jordan Valley and JD 15 per dunum of tomatoes in the higher regions of the Kingdom.

The government also decided it will purchase the produce of these farmers through the Agricultural Marketing and Processing Company of Jordan (AMPCO) at very competitive prices and help to market it here and abroad, the minister added. Mr. Hmoud said that AMPCO has allocated JD

600,000 as subsidies for the farmers in the past agricultural season, and decided to purchase the surplus of the farmers' produce for processing.

In addition, AMPCO announced the prices of potatoes and onions in advance to encourage farmers who would otherwise try to sell crops elsewhere at fluctuating rates.

Mr. Hmoud said that AMPCO offered JD 90 for a tonne of potatoes, JD 75 for a tonne of onions, and JD 144 for a tonne of wheat to encourage farmers to produce such commodities for the market and reduce the Kingdom's dependence on imports.

As a result of these measures, the minister noted there has been a noticeable drop in the production of traditional crops like tomatoes, eggplants, and marrows, and a rise in the production of onions and potatoes.

Mr. Hmoud said that though these are initial steps, they are excellent indicators that the country is following a sound agricultural course that will help it avoid difficulties encountered in previous years.

/9317

CSO: 4400/139

## PHOSPHATE PRODUCTION INCREASES

Amman JORDAN TIMES in English 28 Jan 87 p 3

[Text]

AMMAN (Petra) -- The Jordan Phosphates Mines Company (JPMC) last year increased its exports by 13 per cent compared to 1985 and the company also sold 13 per cent more fertilisers than the previous year, JPMC Director General Wasef Azar announced Tuesday.

He said that the Wadi Al Abiyad and Al Hassa mines in southern Jordan last year produced 6,250,000 tonnes of raw phosphates of which 5,200,000 tonnes were sold abroad. Of the produced rock 941,000 tonnes were processed into fertilisers, Mr. Azar added.

He said that JPMC's exports of fertilisers amounted to 559,000 tonnes last year compared to 530,000 tonnes in the previous year. But he said the company aims to produce and export between 700,000 and 750,000 tonnes of processed fertilisers, nearly 30 per cent more than last year's exports over the coming five years. In 1987, Mr. Azar added, the company aims at increasing production by only five per cent over last year's figure. As for marketing, JPMC has no problems in selling its production

abroad, Mr. Azar continued.

This year, he explained, the company aims at producing and selling 6.5 million tonnes of phosphates which would contribute nearly 50 per cent to the Kingdom's total national income.

Most of the workers in JPMC's mines come from regions in the southern parts of the country where the mines are located and the company does not employ non-Jordanians, Mr. Azar pointed out.

### Housing for workers

JPMC, he continued, has built housing estates for workers and provided them with basic services and utilities and in this way has helped to settle local residents and has contributed to preventing the movement of people from rural to urban regions of the Kingdom.

Referring to the recent merger of JPMC with the Jordan Fertiliser Industry Company based in Aqaba, Mr. Azar said that the merger was natural and a necessary process, enabling the two companies to give a better overall performance.

/9317

CSO: 4400/139

## POULTRY INDUSTRY STATISTICS GIVEN

Amman JORDAN TIMES in English 4 Jan 87 p 3

[Text]

AMMAN (Petra) — The poultry industry in Jordan constitutes one of the major sources of food supplies, providing protein-rich meat and table eggs for the public and contributing towards the achievement of food security, Dr. Mohammad Zaitoun, head of the research department at the Ministry of Supply, said here Saturday.

In a statement to the Jordan News Agency, Petra, Dr. Zaitoun said that the poultry industry yields 65 per cent of the overall income accruing from animal husbandry and animal production in the Kingdom; the total capital involved in this industry stood at JD 140 million by the end of 1985.

The poultry industry, he said began in Jordan on a wide scale in the early 1970s, when the country used to import table eggs and meat of all sorts to meet the local market's needs. This industry was deemed necessary in view of the increasing demand on poultry meat and the growing population, Dr. Zaitoun added. Soon this industry began to attract the public and the private sectors, and the government began offering incentives to encourage the poultry meat and egg production through various laws, regulations,

and loans from various money lending institutions, he noted.

Dr. Zaitoun said that, in 1970, Jordan's poultry farms altogether produced 13,000 tonnes of meat and 75 million eggs, but this rose to 48,000 tonnes of meat and 530 million eggs by 1985; this was matched by local consumption of poultry meat and eggs.

In 1970, an individual's annual average consumption of poultry meat stood at 9.5 kilogrammes and 54 eggs, but this rose in 1985 to 20 kilogrammes of meat and 140 eggs per annum, Dr. Zaitoun pointed out.

In addition, he said, the Ministry of Supply helped to create the Jordan Society for the Production and Marketing of Eggs and offered facilities to ensure its success.

The Ministry of Supply, he said, is also helping poultry farmers by making available animal feed like bran and barley which are produced locally and helping them sell these commodities at competitive prices.

## Symposium opens

A regional symposium on poultry production opened in

Amman on Saturday. Participants from Jordan, Sudan, Morocco, Pakistan, Tunisia, Egypt, Algeria, Cyprus, Somalia and Mauritania are taking part in the three-weeks of meetings.

According to Dr. Abdul Karim, Al Khazraji, director of the regional poultry centre in Amman which is run by the United Nations Food and Agriculture Organisation (FAO) said that the participants will discuss subjects pertaining to the process of producing and marketing poultry, animal feed and disease affecting birds, and health conditions to ensure successful production.

The FAO centre, called the Regional Poultry Training and Development Centre for the Near East, provides training courses and regional seminars. Its objectives is to promote poultry farm operations and improve management techniques of poultry farm foremen and technicians.

According to Dr. Khazraji, the centre, which was established through a generous contribution from the Italian government, hopes to expand its operations through obtaining greater financial support from countries in the region.

# UNIFIL COMMANDER HAGGLUND BLASTS SLA AFTER IRISH SOLDIER'S DEATH

## Resort to Weapons Considered

Helsinki HELSINGIN SANOMAT in Finnish 18 Jan 87 p 23

[Article by Jussi Vuotila]

[Text] Nakura--The outrageous murder of an Irish UN soldier a week ago in South Lebanon, in addition to giving rise to a storm of protests, once again raised the question of the safety of the peacekeeping forces and their right to respond to fire with fire.

What touched off the discussion this time was an Israeli lieutenant, whose tank fired three shells at the UN battalion post in the village of Braash with fatal consequences.

According to UN sources, the Israelis fired to kill since the Merkava tank used for the purpose is dealy accurate at short distances and the firing range in the Braash incident was only 1,200 meters. Furthermore, the Merkava continued to fire even after the Irish soldiers had fired warning rockets.

## Incidents Have Only Gotten Worse

The "murder" of the Irish soldier was, however, only the latest phase in a series of rapidly worsening incidents. Israel and its Lebanese tool, the so-called South Lebanese Army (SLA), have always regarded UNIFIL [UN Forces in Lebanon] "as an enemy" and relations have accordingly been cool.

Relations sank to the trough of the wave at the end of last year when SLA gunners and to a lesser extent also Israelis' firing on UNIFIL posts and vehicles increased at an explosive rate. In December alone Israel and the SLA organized 60 incidents and they continued to do so at the same rate in January.

The most reckless of the gunners are assembled at the three SLA posts of Bravo, Charlie and Karna that are on the south fringe of the Irish battalion. One reason for their being so trigger-happy is the fact that the Moslem partisans of the resistance movement have been particularly energetically attacking precisely these three posts.



## Blaring Goksel

UNIFIL informant Timur Goksel opened the discussion on UN troops, right to fire with his blaring statement.

"We don't usually try to aggravate the situation. Sometimes we fire warning shots into the air and flares, but we haven't responded to their fire. Now it seems to us that UNIFIL's well-intentioned behavior has been abused and we are considering different alternatives for action, among them returning their fire," Goksel said.

In the opinion of UNIFIL commander Maj Gen Gustav Hagglund, Goksel's statement gave rise to a disproportionately big stir. Hagglund, however, admitted during the HELSINGIN SANOMAT interview in Nakura that a discussion on the use of weapons has been going on for months now inside UNIFIL and, in his opinion, there is nothing sensational about it.

Hagglund said that he was of the opinion that, under the special circumstances existing in South Lebanon, returning fire might in certain situations add to the safety of UN soldiers.

Hagglund in the same breath nevertheless admitted the danger factors associated with the use of weapons. In the worst event, UN return fire might touch off a small-scale war and that in turn would quickly lead to the discontinuance of UNIFIL.

## Safety Is of Most Importance

In his exposition Hagglund wanted to make it quite clear that the only reason for any changes would be to increase UNIFIL personnel's safety. "My first duty as commander of the troops is to see to their safety. To fail to look for new ways of adding to it would be negligence."

In connection with this, Hagglund reminded us of the statistics, according to which incidents involving firing on UN soldiers have tripled in a little over a month's time. Hagglund added that, if this development continues, the situation will soon be untenable.

In the background there is the constant fear that firing by SLA soldiers and the Israelis will cause more casualties. In the opinion of many experts, the withdrawal of the Irish troops from UNIFIL will hang by a thread if Irish Battalion casualties continue to mount--in less than half a year's time three Irish soldiers have died in different incidents.

According to the same sources, Ireland's departure would seriously threaten UNIFIL's whole existence. According to some estimates, matters involving domestic policy may lead Ireland to withdraw the battalion even without additional casualties.

Hagglund is, however, confident that the Irish troops will for the time being remain in South Lebanon.

## UNIFIL Has Broad Powers

In reservedly supporting the increased use of weapons, Hagglund reminded us that UNIFIL clearly has broader powers to use weapons than UN troops in general. According to a mandate that goes back to 1978, UNIFIL can resort to weapons to defend itself or if UNIFIL is by forcible means prevented from carrying out its mandate.

According to Hagglund, any changes can very well be realized within the framework of the present provisions since it is only a matter of applying them in a slightly different way.

In his exposition Hagglund above all based his argument on the unique circumstances existing in South Lebanon. Lebanon is at present a battlefield for dozens of armed factions, one on which shooting is almost a national sport and displaying one's power and in certain situations also using one's power is often the only way to gain prestige.

## Undisciplined Amusements

Especially the disciplined SLA gunners often "amuse themselves" by firing now at this, now at that. And firing on UN targets has a quite special "entertainment value" within the SLA. On the worst occasion SLA men in one day organized 20 acts of provocation against UNIFIL.

So far, this sport has, moreover, been harmless since the UN soldiers do not return their fire, but just duck.

According to Hagglund, the SLA soldiers might very well stop "shooting for the fun of it" if UNIFIL were to make it clear to them that their fire could be returned in kind.

There are, however, no chances of doing something about provocations engaged in like the killing of Irish soldiers other than through political channels, that is, to try to influence the Israeli Government so that it would adopt a more favorable attitude toward UNIFIL.

## SLA Commander Lahd Replies

Helsinki HELSINGIN SANOMAT in Finnish 21 Jan 87 p 28

[Article: "SLA Commander Lahd Would Have Hagglund Recalled"]

[Text] Marjayoun/Tyros (STT-Reuter-AFP)—On Monday the commander of the Israeli-backed SLA, Gen Antoine Lahd, criticized the Finnish commander of the UN peacekeeping forces in Lebanon, Maj Gen Gustav Hagglund, and suggested that he be called home.

Speaking to reporters at SLA headquarters, Lahd described Hagglund "as a Don Quixote who makes political speeches without understanding the situation."

Lahd said that he had heard that Hagglund had called the SLA "deceitful" at a memorial ceremony organized last week for the Irish UN soldier killed by the Israelis. "If this is true, I suggest that General Hagglund be called home and that it be determined by psychological tests whether he can continue with his mission," Lahd said.

"Such statements create tension between UNIFIL and the SLA and yet we come into contact with one another every day. Our relations with UNIFIL in the field are satisfactory. The same cannot be said of our relations with the UNIFIL commander, who regards the SLA as an enemy," Lahd went on.

#### UNIFIL Soldiers Fired on Again

SLA soldiers fired on three Fijian UN soldiers on Monday. However, no one was wounded in the incident, a UNIFIL representative announced on Tuesday.

The UNIFIL soldiers were on patrol on the Biyut es-Siyad road in south Lebanon when they opened fire on them. According to SLA representatives, the attack was an accident.

A similar incident occurred 2 weeks ago, at which time Nepalese UNIFIL soldiers were in the line of fire. Shortly after that, the Irish UN soldier was killed by an Israeli shell. They asserted that this case was also a "mistake."

11,466

CSO: 3617/50

# KAYRUZ DISCUSSES VALUE OF CURRENCY

Beirut MONDAY MORNING in English 26 Jan 87 - 1 Feb 87 p 28

[Article by George el-Hachem]

[Text]

Asked last week why the exchange rate of the Lebanese pound to the dollar had dropped by LL 5 in midweek, Joseph Keyrouz, chairman of the board of the Banque du Crédit Populaire, told me that the abrupt fall was due to an increased demand for the dollar, more than to the announcement that the Syro-Lebanese summit would be postponed until after the Islamic summit in Kuwait, which begins on January 26.

Keyrouz added that there was still no sign of political détente on the Lebanese scene that would reassure the public and bring down the dollar rate.

Asked what he thought of proposals to sell off Lebanon's substantial gold reserves to bolster up the national currency, Keyrouz replied that such a step would be disastrous for the country's banking sector, since it would touch off a serious crisis of confidence among depositors, whose combined deposits, he said, amounted to 200 billion Lebanese pounds.

The full translation of the interview, which was conducted in Arabic :

**Is it plausible that merely announcing the postponement of the Syro-Lebanese summit would result in an abrupt drop in the Lebanese pound's value ?**

The high demand for dollars, coupled with the low supply of them, was the reason. You can put this question to the

Banque du Liban (the Central Bank), which took several measures, claiming they could stop the dollar surge. I invite the Central Bank to freeze the exchange rate. We as bankers, cannot refuse to buy or sell dollars if requested to.

**How would you evaluate the relations between the Central Bank and the private banks at the moment ?**

Relations are good enough now that the crisis has been resolved. However, there is still a problem with the private sector, which is starting to cause a little local difficulty. It's a problem which is opposing officials in the private sector to the authorities — we have nothing to do with it. Today our role is no longer that of helping the private sector. It consists only in obtaining money and investing it in Treasury bonds.

**Is there any possibility of going back on the circulars which have been issued by the Central Bank ?**

We have concluded an agreement and are sticking to it. But the other sectors that were disadvantaged should make the necessary moves to settle the problem.

**In case the summit takes place, what do you expect to result ?**

This summit could encourage the people and lead to a drop in the dollar rate. But since most are waiting for the summit results, I think this drop will be minimal.

**What is the situation of the insurance companies ?**

Nowadays, insurance companies are not to be envied.

**What was the dollar - surge's impact on the insurance companies, especially since it contributed to a large extent to the increase of the automobile registration fees ?**

This caused a rise in charges, but these charges should be reconsidered because the insurance companies are linked to reinsurance companies. If the latter find themselves suffering losses due to increasing costs, they will discuss it with the insurance companies which will take the appropriate stand. Personally, I think that a new raise is necessary.

**What about selling the Central Bank's gold reserves ?**

These reserves keep our position bearable, so talk of selling them is not at all reassuring. Selling the gold would provoke a panic, causing bank depositors to seriously reconsider whether to maintain their money in Lebanese banks. Their deposits, I should add, now amount to some 200 billion Lebanese pounds.

**What about mortgaging the reserves ?**

If mortgaging the reserves means transferring them outside Lebanon and placing them in the hands of experts, then this might be an encouraging development. But in such a case the mortgage should be only of part of the gold, not all of it ●

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CSO: 4400/140



CENTRAL BANK RESPONSE TO SHARP DROP IN POUND REVIEWED

London AL-TADAMUN in Arabic 27 Dec 86-2 Jan 87 p 31

[Article by Ibrahim 'Awwadah: "The Bank of Lebanon's General Instructions Are Reviving the War of the Europound"]

[Text] In the first week of December 1986, 10 months after the abrogation of the intensified monetary measures it adopted last February 1986, the Bank of Lebanon once again issued a revised version of the measures it had previously abrogated, with the goal of stopping the ongoing collapse in the exchange rate of the Lebanese pound and curbing the heated speculation in it.

The new measures are considered the most extreme that can be adopted to protect the national currency, and they are taking place with the backing of an angry force for pressure against the banking system on the part of the people as well as a political force represented by Premier Rashid Karami, and the ministers of the government body, posing much difficulty and doubt before the banks' task of thwarting or delaying these measures -- especially the banks which are accused this time by the people of standing behind the speculation against the Lebanese pound, causing the weakening of its exchange rate and inflaming the wave of inflation.

The new general instructions have provided for the execution of the following monetary measures:

1. As of 5 January 1987, the compulsory rate of monetary reserves imposed on the banks' commitments in Lebanese pounds will rise from 7 to 13 percent. This measure is aimed at assimilating a substantial portion of bank liquidity in Lebanese pounds into the treasury of the Bank of Lebanon, with the goal of curbing its role in the activities of speculation against domestic currency. On the basis of the volume of bank deposits, which up to 21 November 1986 were set at about 62 million pounds, raising the compulsory rate of monetary reserves imposed on the banks from 7 to 13 percent will bring an additional sum estimated at 3,075,000,000 Lebanese pounds out of the banks' vaults and consequently the market of speculation against the pound.
2. Compelling banks whose deposits in Lebanese pounds are less than 1 billion pounds to underwrite 30 percent in treasury bonds and compelling banks

whose deposits come to or exceed 1 billion pounds to underwrite 45 percent, on condition that this underwriting take place in the primary market, that is, through weekly issues. This measure has the goal of guaranteeing the requisite financing for the government's expenditures in the light of the continued deficit in the general budget, since the banks recently had avoided investing their deposits in treasury bond issues and invested these deposits in the market of speculation against the pound, in the desire to realize rapid, larger profits.

3. Reminding the banks of the application of the rate of cover under the penalty of the imposition of a fine equal to the interest penalty imposed on the drop in compulsory reserves (4 percent) on the banks committing violations.

4. Reminding the banks of the danger of loans in Lebanese pounds to non-residents, since loans cannot be given in Lebanese currency with the guarantee of nonresident banks except in the case of requirements of investments or commercial activities registered in Lebanon, with the condition that the banks liquidate all loans to non-residents in a period ending on 31 December 1986 under the penalty of payment of an interest penalty equalling the rate of interest imposed on the decline in the compulsory reserves (4 percent) on the highest balance of these loans during each month. This will not prevent the possibility of the adoption of decisive measures against banks which violate the general instructions of the Bank of Lebanon, among them elimination of the bank committing the violation from the registry of banks.

The fourth monetary measure the Bank of Lebanon has approved, which has provoked intense opposition on the part of the banks and on the part of a number of deputies, deals with the process of regulating "Europounds," since the banks, supported by some deputies, consider that these measures involve an open, direct attack on the system of freedom of currency which must leave harmful, influential repercussions that are not to the benefit of the Lebanese banking system. Meanwhile, the governor of the Bank of Lebanon, Edmond Na'im, asserts that the execution of this measure will in effect lead to an effective limitation of the severity of the speculation against the pound, now that it has been proved that the pounds smuggled to the vaults of bank branches operating outside Lebanon constitute basic springboards for the processes of speculation against Lebanese currency, since this fugitive or smuggled liquidity is not subject to the surveillance of the Bank of Lebanon or the surveillance of the committee of bank surveillance, giving the banks freedom of movement, especially since some people estimate the volume of liquidity in the Lebanese pounds located in bank branches operating outside Lebanon at about 10 billion pounds, an effective, influential sum in speculation activities. To return to the measure that is the subject of discussion above, which is expected to be the object of a new overt confrontation between the Bank of Lebanon and the banks, that calls for the following:

Resident banks are prohibited from receiving deposits, offering loans and opening accounts in Lebanese pounds for non-resident banks and non-resident financial and banking institutions, with the provision that this prohibition include all subsections on commitments in Lebanese pounds and no movement or operation taking place in other accounts, inside or outside the budget, be

exempted from this prohibition, that the banks close all accounts previously opened no later than 14 January 1987 and that the pursuit of activity in these accounts be prohibited as of 15 January 1987, with banks violating this measure to be subject to penal fines, with the possibility of their transfer to the higher banking authority for adoption of the appropriate measures against them.

The governor of the Bank of Lebanon, Edmond Na'im, asserts that the new monetary measures were necessary in order to halt this serious, rapid collapse in the value of the national currency, a collapse which has had and is having serious repercussions in more than one context, especially the standard of living. He considered it necessary that the banking system understand these measures and consequently respond to them and not view them as direct measures aimed against them, because the objective in these measures remains first and last the preservation of the national currency. The governor of the Central Bank rejected what some people had alleged, to the effect that the measure bearing on the regulation of "Europounds" represents an infringement on the free economic system and limitation on the system of freedom of financing currency, or that this measure is a decree expropriating the freedom of movement of the Lebanese pound and imposing a prohibition on its movement. Conversely, he asserts that this measure is relied on in a number of countries founded on a banking system similar to the Lebanese banking system and consequently is a temporary, precautionary measure which can be abandoned as soon as the causes which led to the adoption of it are eliminated.

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CSO: 4404/192

POLITICAL, RELIGIOUS LEADERS DENOUNCE QADHDHAFI STATEMENT

Beirut AL-SAFIR in Arabic 23 Dec 86 p 4

[Article: "Political Figures and Spiritual Groups Reject al-Qadhdhafi's Statement; Preservation and Support of Islamic Unity Reaffirmed"]

[Text] A number of political figures and spiritual groups attacked the recent statement issued by Colonel Mu'ammarr al-Qadhdhafi, stressing their unity of the Islamic ranks and reaffirming their intent to preserve it.

Al-Sulh

Speaker Rashid al-Sulh express "the pain he feels because of intensifying and widening Arab differences under circumstances that enjoin the Arabs and Muslims to stick together more than any other country in the world to stand in the face of Zionist and colonialist expansion."

He said: "We were astonished by the statement attributed to Col Mu'ammarr al-Qadhdhafi in which he attacked the honorable Islamic Shiite sect. Out of our determination and desire to preserve the unity of the Islamic ranks in Lebanon and our appreciation for the contribution the members of this sect have made to all Arab causes, Lebanon's liberation from Israeli occupation in particular, we believe it is our duty, in owning up to reality and so that truth may prevail, to reject this statement, noting that it will not impact on the unity of the Islamic and national ranks in Lebanon out of our conviction that the Muslims will not allow anyone to fragment this rank, but indeed are intent on supporting and adhering to its unity."

Al-Dana

Deputy 'Uthman al-Dana said: "Col al-Qadhdhafi's call to fight the Shiites in Lebanon is unacceptable and reprehensible." He saw in it "a destruction of the Muslims' unity at a time when we are urgently required to unify our position and ranks to put an end to the conspiracy Lebanon has been experiencing for the last 12 years."

He wondered: "Does internecine fighting among the members of the same sect in Lebanon allow us to regain the usurped land and liberate the south and the Biqa' from the filth of Zionism? Does this evil war between the members of



one religion and one cause allow us to put a stop to the reprehensible and unlawful camps war?"

He said: "This is not the way to gauge the affairs of the Muslims and the causes of the Arabs. Lebanon has had enough war, destruction, fragmentation, alienation, discord and division. It can no longer endure the consequences of Arab divisions and apathy."

Al-Ghutaymi

Former deputy 'Abdallah al-Ghutaymi said that he asks Col al-Qadhdhafi "how can you reconcile your statement with the efforts his envoy Jallud is making to put an end to fraternal battles between the camps and their environs? How can you be a faithful ally of Syria and the Iranian Islamic Republic and meanwhile call for the implementation of such demonic thoughts? How can you be a true Muslim and incite one Muslim against another, something proscribed by God Almighty?"

He said: "The Shiite sect has flabbergasted the world by its resistance to Israel and efforts to bring about an Israeli pullout which the countries of the world and the Arab regimes failed to realize."

Manh al-Sulh

Manh al-Sulh expressed his "intense pain that Col Mu'ammarr al-Qadhdhafi should issue such a statement against an honorable Islamic sect that has made brilliant contributions to Islamic heritage at a time when the heart of every Muslim awaits the emergence of any person or voice able to bring together the Lebanese in general and the Muslims in particular, to unify their ranks and liberate them from any parochial sectarian or confessional jingoism to enable them to face their problems and perils around them at a time when they are looking for the best ways and means to build a Lebanon able to promote itself and its role in the Arab world."

He said: "The members of this Islamic denomination have courageously defended Arab causes, in the forefront of which is the Palestinian cause, and have participated in Lebanon's battle for the sake of its unity, sovereignty and liberation from Israeli occupation. Col al-Qadhdhafi had talked about Lebanese Christian sects as well."

He believed that "this kind of talk is detrimental not only to Shiite Muslims but to all Muslims without exception as well. Indeed, it is detrimental to the Lebanese and the Arabs in general, particularly since they realize that in essence they are united against their enemies and capable of dealing with any contingency or catastrophic setbacks with a spirit of awareness, responsibility and fraternity."

He said: "It is time that the Lebanese and Muslims became aware of the dangers of allowing the current tragic situation to persist and guarded against the damage emotional statements and positions can do to their destinies. It is time that they supported every effort, every endeavor and every initiative aimed at creating a climate of unity, be it in the national



or the Arab and Islamic sphere. What we want is for all of Lebanon to unite better than it has in the past and to solve the camps issue on a true national and political basis. We want the Arabs to help us achieve that instead of further complicating the problems. May God have mercy on the soul of Palestinian poet Ibrahim Tuqan who said 'In our hands are the remnants of a country, so take a rest lest the remnants be lost.'

#### Sabbagh

The head of the independent Lebanese National Grouping, Dr Samir Sabbagh, believed that al-Qadhdhafi's statements are tantamount to a declaration of a peripheral war that will lead us where we do not wish to go, will strike at the core of our unity and will underscore to the world the end of our cause and the correctness of the positions held by our enemies and adversaries.

He said: "We do not concede that subjects mentioned in President al-Qadhdhafi's statement lead to the disintegration of Islamic and national unity in Lebanon, a unity that forms the basic foundations of the possibility of saving Lebanon," indicating that "the Lebanese arena has a special character Arab leaders may not fully comprehend. We, for the sake of defending the unity of the Arab ranks, are paying a very high price. The Muslims and the nationalists in Lebanon are making every effort to put a stop to the camps war, suffering all kinds of problems, excesses and practices to stop it from spreading and turning into a confessional war. They will not allow such toil and sacrifices to go with the wind because of a position here and there."

He added: "On the other hand, we emphasize that hysterical counter-statements and positions may lead us to where we do not want to tread. For our Lebanese struggle against Israel and its agents is in need of that large Arab and Islamic camp led and supported by Arab Syria, in that close alliance between the Islamic Republic of Iran under the leadership of Ayatollah Khomeyni and the Libyan Arab Republic led by al-Qadhdhafi. While we reject all this struggle and all these statements, we affirm to everyone near and far that our battle is with Israel and its agents: the southern Lebanese army and the Lebanese Front with all its institutions. If there are internal contradictions in our Islamic and national ranks, they, to be sure, are secondary political contradictions between political courses and not between sects and denominations. Consequently, they must be put into perspective and not allowed to expand. Hence, we call upon everyone to become aware of the peculiarity and complexities of the Lebanese arena and we ask the Arab leaders to back the struggle of the Lebanese people which, in its content and dimensions, is a pan-Arab struggle. For the Shiite sect has a role in this greater pan-Arab cause, just like the Sunni, the Druze or the Christian sects, on the basis of loyalty to pan-Arabism and affiliation with this glorious nation."

#### Committees Grouping

A responsible source in the "Committees and Popular Leagues Grouping" said: "It is both unfortunate and sad that at a time when sensitive Lebanese conditions require extraordinary care and attention from the Arab family to

help Lebanon rid itself of the savage crisis that is digging its claws into its wounded body, we witness today erroneous positions and inclinations at the Arab level that, intentionally or not, help aggravate the illness, arouse instincts and give discord the upper hand."

He added: "The call for sectarian fighting and mobilization of the Lebanese for a war against a Lebanese sect long known for its patriotism, pan-Arabism and struggle against colonialism is an unacceptable call, to be sure, and is condemned by all the Lebanese who yearn for the restoration of their national unity and the liberation of their territory from the claws of the Zionist enemy. The Lebanese who covet any kind of loyal national backing draw the attention of every Arab citizen or official that the conspiracy that has exhausted and drained Lebanon before the public eye is now using this nation as a staging area against the entire Arab region to throw it into the kiln of discord and civil wars. We who have extensively experienced the meaning of fragmentation and apostasy have more right than anyone else to warn and caution against the perils of such dangerous positions based on unacceptable divisions and contradictions to arrive at destructive results."

Hizballah

Hizballah issued the following communique: "As we assume a distinctive position in our Islamic arena based on our lawful mission to seek seriously and assiduously an end to the bloodbath raging between the camps and their environs without any reasonable justification, and a time when our voice has been raised in condemnation of this dirty war and have sought with all out might to share with the faithful Muslims their efforts to reach a final solution that can lift the siege of the Palestinian camps and guarantee the right of the Palestinian people to confront the Zionist enemy side by side with the Muslims in Mount 'Amil and Lebanon and to organize the armed presence on the basis of resistance and the preservation of our people's dignity and security, and at a time when we have been mortified by the Arab leaders' deafness and blindness to what is occurring and indeed by their acquiescence to the bitter fighting through which they hope to exhaust the warring forces, and at a time when all initiatives to end the fighting and to arrive at an honorable, reasonable and mutually acceptable solutions have failed, save for the Islamic Republic's initiative while any initiative from the advocates of the Palestinian cause has failed to materialize, at this time in particular when we have become a disengagement force in Maghdushah out of our desire to stop the conspiracy against the fighters there, we were flabbergasted by the statement issued by al-Qadhdhafi, using language and words that have been deleted from our dictionary ever since we began believing in Islam as a religion for unification and a course for resistance, words that we will never allow ourselves to use or be tempted to use in our replies, condemnations and denunciations."

He went on to say: "It is the putrid language that must be resisted because it is the language colonialism used to tear our unity and our country to pieces and fabricated barriers and lines of defense to defend its interests, designs and conspiracies. It is the language of sedition which we have defeated through the Islamic resistance whose march has been irrigated with the blood of unionist Muslims, Ahmad Qasir of Mount 'Amil, 'Ali Khalil of

Palestine and Jamal Habbal of Sidon and other devout martyrs like them before whom al-Qadhdhafi must humbly bow in awed respect for their sacrifices in deference to their struggle in the age of fear and spectatorship that befell our spurious rulers in our fragmented world. We have turned our hearts toward Jerusalem while carrying the banner of holy Islamic Jihad and the bullets that are hitting are those of the Zionist occupiers. As for our backs, we entrust them to every Muslim who swears that there is only one God and Muhammad is the Prophet of God.

#### The Ulema Grouping

A communique issued by the Muslim Ulema Grouping warned against misleading tactics that play on tribal feelings and incite ignorant clanish zeal.

It expressed the hope that "all those who are concerned with the camps war are aware of the seriousness and repercussions of sensational statements, inflammatory communiques, contrived rumors and exaggerated facts aimed at serving a political or popular reality at the phase level, heedless of the rancor and malice that they generate."

It said: "We are not surprised that President al-Qadhdhafi should issue such statements, but its content did raise surprise, curiosity and questions marks generated by our feeling that something unusual is being contrived by more than one regional and international axis to sow discord among the Muslims and drag them into the spehre of confessional strife at the Sunni and Shiite level. It is no coincidence that al-Qadhdhafi should incite everyone against the Shiites by exhibiting his concern and consideration for the Lebanese, the Palestinians and the nationalists, forgetting or ignoring the fact that the camps war is not a Shiite-Palestinian war and disregarding the pioneering role faithful Shiite Muslims have played in the confrontation with Israel and crusade colonialism and their conspiracy against the Muslims and their causes, including the cause of Palestine which Islam will not rest until it is returned to its people in full."

It believed that "it was not just a coincidence that these statements coincided with the Jordanian king's interview and confessional allusions expressed by PLO leader Yasir 'Arafat, noting that behind all of this is the smell of a well-designed conspiracy with each one performing his designated role."

It concluded: "As we restate our unequivocal and full support of the recent Islamic government's initiative to put a stop to the camps war in preparation for the stage of searching for political solutions, we condemn all those who are obstructing and frustrating it. We ask that they be uncovered and exposed without restraint and we regret the campaign aimed at Mr 'Isa Tabataba'i whose only intention behind his sit-in at al-Rashadiyah camp was to put an end to this seditious war."

Leader of the Lebanese Kurdish Rizkari Party, Faysal Fakhru, attacked al-Qadhdhafi's statement, emphasizing that Syria's patronate alone is sure to mend the rift between the members of the one rank.

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CSO: 4404/187

# INTERVIEW WITH MUNAL AL-SULH

Beirut MONDAY MORNING in English 26 Jan 87 - 1 Feb 87 pp 20-23

[Article by Amal Fadlallah]

[Text]

Past experience has taught us that the Arab countries only exploit the ongoing war of the camps to stop the fighting, rather than resolve underlying differences, said politician Monah Solh. Furthermore, Solh asserted that the main Arab motivation was not to help the Lebanese and Palestinians, as much as it was an attempt to free themselves of the responsibility - incumbent on all which all the Arabs - of putting an end to these clashes.

Solh, a prominent Beirut politician and writer, told Monday Morning last Tuesday that the war of the camps erupted over the issue of armed Palestinian presence; for the Palestinians, however, the issue is one of existence and survival. This explains the intensity of feeling and the consequent bitterness of the struggle.

He pointed out that the camp war has been Lebanized in the sense that it became related to local Lebanese struggle, and has been Arabized in the sense that it became involved in Arab struggles. He said the Lebanese and Palestinians are embittered by this war and want to bring it to an end. This, however, awaited a minimum level of Lebanese accord on a unified Lebanese authority, which would be empowered to discuss Lebanese - Palestinian relations.

Solh noted that the Palestine Liberation Organization (PLO) must appreciate the services rendered by

Lebanon to the Palestinian cause, and urge an end to unlawful practices on Lebanese soil. Conditions under which Palestinians function in Lebanon, should not differ qualitatively from conditions under which Palestinians residing in other Arab countries do, he added.

In a reference to the Lebanese - Syrian summit, Solh said that rapprochement has been achieved on

## The camp war is an issue of existence and survival to the Palestinians

most of the points mentioned in President Gemayel's paper. As such, he pointed out that the Lebanese - Syrian dialogue has already been restored, but not in terms of verbal exchanges on the summit level. The President's paper included recognition of the Shiites' role and of equal shares for the Moslems and Christians in Parliament.

Solh asserted that delay in summit's convention was due to the fact that the Lebanese and Syrian presidents prefer to attend the Islamic Conference Organization (ICO) meeting in Kuwait without prior commitments. After the summit, they can determine a final solution to the Lebanese crisis.



He deplored the Gulf War, noting that it imposed a great burden on Lebanon, and that ending the war will be the best interest of the Arabs, the Moslems and Lebanon. According to latest reports, Solh asserted that not only Iran is present in Lebanon, but Iraq is too. The Lebanese people are looking forward to the coming Islamic summit with the hope that it will put an end to the war. "Starting a war", Solh noted, "is a mistake, but continuing a war is a crime."

Solh believes that the Syrian cooperation in achieving peace for Beirut is a necessity, and said that Syria's cooperation with the Lebanese authorities will yield the best results.

Following is the translation of the interview which was conducted in Arabic :

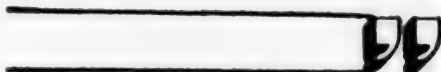


**What is the future of the armed Palestinian presence in Lebanon, in view of what is taking place in the war of the camps ?**

For a long time, and the largest round of the camp war has been going on. It is clear that this war is not heading towards a rapid ending, because as much as this war proceeds, the efforts and interventions, which make the settlement of the war impossible in the near future intensify.



**Lebanese - Syrian dialogue has already been started, but not in terms of verbal exchanges on the summit level**



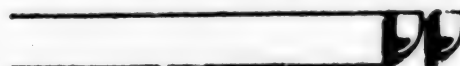
At the beginning, the issue depended on direct local and regional stands, but now the circle of interventions and

pressures has widened, until it includes most of the Arab countries. Experience taught us that the Arab countries do not interfere in this matter on the basis of specific principles, but simply to achieve transitory gains. The war of the camps erupted over the issue of Palestinian arms and fighters in Lebanon. But this war, in the point of view of the Palestinian people, has another meaning which is the meaning of Palestinian presence itself.

The Palestinian at present believes that what is meant, is his presence as a group, and thus he is hardening his position at present more than ever before. This hardening is the result of confusion between disarming him, or specifying these arms, and with respect to his rights as an Arab national living on Arab soil, and having civil immunity that should be protected. It seems that this war will lead nowhere, in view of the surrounding factors of "Lebanization" and "Arabization". This issue has been Lebanonized in the sense that it has become related to



**Solving the camp war requires a minimum level of Lebanese accord on a unified Lebanese authority**



local Lebanese struggles and has obtained outcomes and influences.

It also has been Arabized in the sense that it has become involved in the framework of Arab struggles. On this basis, we consider the present circumstances and the sectarian climate of the country, as the worst time for formulating fundamental, and permanent principles for Lebanese - Palestinian relations. The Palestinians as well as the Lebanese have suffered a lot from this war, and therefore an end must be put to it. I believe that when there is a minimum level of Lebanese



**Not only Iran is present in Lebanon ; Iraq is present here too**

accord on a unified Lebanese authority, then tackling the issue of Lebanese - Palestinian relation would yield more adequate results. I believe Lebanon has given to the Palestinian cause more than any other Arab country, and this fact must be appreciated by the Palestine Liberation Organization and its command. On the long run, this extraordinary behavior by the Palestinians on Lebanese soil must be ended. What is currently applied in Arab countries, as far as Palestinians are concerned, must not differ qualitatively from what is being applied in Lebanon. The outcome of this difference will increase the Lebanese feeling of isolation from the Arab world and consequently, the calls for neutralizing Lebanon and its extrication from the Arab - Israeli struggle, will intensify.

The projected Lebanese - Syrian summit is based on a sound view which rules out the opening of the Lebanese - Palestinian relations file before reaching a certain degree of Lebanese Syrian understanding on this issue, and a minimum degree of national understanding among the various Lebanese parties. Raising the issue of the camps at this particular period, by one political and military party in Lebanon will not solve this problem, but will complicate it. We should not sink in the quicksands further.

**The Smar Jbell meetings aimed at paving the way for convening the Lebanese - Syrian summit in the near future, while former President Chamoun ruled out its convening before the Islamic summit conference in Kuwait. What is your opinion ?**

It is obvious that relations between the Lebanese and Syrian leaders have greatly improved. Although the summit hasn't yet been held, and still faces obstacles, there is an intellectual rapprochement which has taken place in a good manner. The Lebanese - Syrian dialogue was restored, although not to


**Starting a war is a mistake, but continuing a war is a crime**

the extent of the direct verbal dialogue between the two presidents. The rapprochement has been achieved on most of the points mentioned by President Amin Gemayel, in the two documents, he submitted concerning reform and future Lebanese - Syrian relations. Everybody feels that these two documents provided all the sects their basic demands. The document on reform speaks about the future role of the Cabinet, and its transformation from assisting the president into participation in decision - making. The present Lebanese constitution states that the authority is entrusted to the president of the republic, with the assistance of the government headed by the prime minister.

What is being discussed is the ammendment of this clause so that it becomes as follows : executive authority will be entrusted to the president of the republic, with the participation of the ministers.


As for the prerogatives of the prime minister, President Gemayel's document states that there is no difference whether the prime minister is elected by Parliament, or appointed by the president, after required consultations are made. Or the prime

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**Syrian presence would be most helpful, if coordination is achieved with both the legitimate authorities and local factions on the ground**

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minister may be designated and then obtain a vote of confidence from Parliament following which the cabinet will be formed.

As for the Shiites, the President's document recognizes a role for them, provided this role will not be at the expense of other sects. There is also acknowledgment of equality in the number of Moslem and Christian MPs in Parliament. There is also a condition that certain issues are only approved with a majority of 55 percent of parliamentarians.

Effectively, these proposals did not give in detail, each sect what it requires, but they conceded to all the sects the essence of their demands. This paper has been drafted on the basis that each sect formulates for itself its understanding of the terms in the way it finds suitable. Thus, there will be understanding between the Moslem and Christian sects regarding the equality of the president and the council of ministers. This led former President Chamoun to declare that the Moslems must meet to clarify the demands acknowledged for the Moslems in the President's paper.


The delay in convening the summit conference is not due to the controversy regarding this paper, but due to the fact that the Lebanese and Syrian presidents prefer to attend the Islamic summit in Kuwait with their hands free. The current developments in the Middle East and in the Gulf War make the two presidents prefer to reach the summit conference without being definitely determined on a final solution for the Lebanese crisis.

**In view of your saying that the region may face developments, especially with respect to the Gulf War, do you believe that any military change to the interest of either party in this war, will reflect positively or negatively on the Lebanese crisis?**

I think the continuation of this war will produce stands, reactions and contractions on the Lebanese scene, which in my opinion form a great burden on Lebanon.


Putting an end to this war is not only for the best interest of every Arab and every Moslem, but primarily, for the

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**Conditions under which Palestinians live in Lebanon should not differ qualitatively from conditions under which Palestinians residing in other Arab countries do**

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welfare of Lebanon. Iran and Iraq are not only struggling in the Gulf, but in Lebanon as well. The coming days will show more and more the grossness of the war between these two states on Lebanese territory. Iran is not working alone in Lebanon; Iraq is also working here, according to latest information.

We consider any loss of any part of the Arab land, as complicating the whole Arab situation, which will make the Lebanese situation even worse than it is. The Lebanese expect the coming summit in Kuwait to carry with it the serious possibility of putting an end to the Iranian - Iraqi war in such a way as to protect Arab land and the national interests of Iran and Iraq. If starting a war is considered a fault, its continuation is a crime.

**Do you expect an imminent Syrian entry into West Beirut as a first step to be followed by a future plan, in the light of any possible success of the Lebanese - Syrian summit in unifying Greater Beirut ?**

I believe that Syrian assistance in achieving peace for Beirut is a necessity. Events have proved that Syria can make the security plan in Lebanon a success, as we have witnessed previously, even though for short periods. Syria's cooperation with the Lebanese authorities will yield best results following a Lebanon - Syrian rapprochement.

At that time, any Syrian plan and any Syrian entry will be effective, especially if they come on the heels of a summit or an announced agreement between the two states ●

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CSO; 4400/140

## INTERVIEW WITH ALBERT MANSUR

Beirut MONDAY MORNING in English 19-25 Jan 87 pp 20-23

[Article by Reem Drouby]

[Text]

Pressure exerted at present by international circles, and by economic and daily-living conditions in Lebanon, along with Syria's need for a truce in Lebanon, will definitely lead to the convening of a Lebanese-Syrian summit, according to MP Albert Mansour, who stressed that this meeting will be held, in spite of Israel's attempts to prevent the holding of talks, and to undermine any results which might emerge.

Mansour, who represents Baalbeck district in Parliament, told *Monday Morning* that there is a great possibility for the state to regain a minimum degree of its presence, to impose an acceptable minimum of security and to stop the economic collapse. These goals could be achieved through the Lebanese-Syrian accord. It is also possible, said Mansour, to have a long-term truce, during which the Lebanese can take a deep breath and work out the terms for their re-unification.

He declared that all attempts to stabilize security in West Beirut had failed because stable security could only be achieved through the legitimate authorities. He described the militia-enforced security as a mere truce among the militias themselves, and between them and the public. Such arrangements invariably collapse, as we have seen repeatedly, with the consequent return to lawlessness, he pointed out.

Mansour blamed the continued breakdown in law and order and the inability of people to move freely, for

being behind the call for the opening of new airports. This demand would no longer be pressing or valid, if the Lebanese-Syrian summit was held and could come out with a minimum level of security.

Mansour stressed that Lebanon was entitled to request an extension of the UNIFIL's mandate. This request is backed by Lebanon's friends, who are committed to continued independent Lebanon.

He pointed out that the war of the camps is an expression of Arab rivalries. Any real solution, Mansour asserted, required, first, resolving Arab disputes. This would, automatically lead to the settling of the Palestinian issue in Lebanon.

Turning to the issue of arms, Mansour declared that no armed group should be allowed on Lebanese soil, other than the legitimate forces. Self-enforced security is totally unacceptable on both Lebanese and Palestinian levels alike.

He predicted that the meeting of former presidents in Smar Jbel could reflect positively on the convening of the Lebanese-Syrian summit, and would be a milestone on the way to inter-Lebanese dialogue.

Following is the translation of the interview which was conducted in Arabic:



Efforts are currently exerted to hold a Lebanese-Syrian summit. Do you think that Israel, through its political and military pressures can obstruct any agreement reached against its interest, or do

**you think the regional and international powers could resist Israeli obstruction?**

Discussions under way to hold a Lebanese-Syrian summit seem to lead to rapid and positive outcomes. This does not mean that Israel will not try to obstruct this meeting, and consequently its outcome which may include Lebanese-Syrian accord. But I believe that, the international powers, and the will of the local parties and Syria, to reach a solution, even though it may be temporary, will produce positive results. Israel will definitely try to obstruct, but I think that, efforts exerted at present by the international powers, along with Syria's need of a truce in Lebanon, will lead to the convening of a summit, and to a minimum degree of accord that will provide certain stability. The meeting will be held, in spite of Israel's attempts to obstruct these talks. In fact, we should be aware of what Israel might do, because it has numerous means, if not for obstructing the meeting, at least for obstructing its outcome. This is part of the current struggle in the region and part of the regional struggle. We and Syria should work hard to prevent Israel from reaching its goal. If we

**The state can regain a minimum degree of its presence, impose an acceptable minimum of security and stop the economic collapse through the Lebanese-Syrian accord.**

reach an understanding, I think we can obstruct Israel's plans relatively, at this particular time.

**Do you believe that there are other parties who might disrupt the outcome of the Lebanese-Syrian summit, in case it was held?**

Definitely, the most important party that might try to disrupt this meeting is Israel. There could be other parties that might be harmed from this meeting, but in my point of view these are not as influential in this respect in sabotaging the Lebanese-Syrian accord as Israel and its agents.

**Deputy Gebran Tawk warned against exaggeration in optimism regarding the summit results. Do you think there is a pretext for his warning?**

If what is meant by great optimism includes an expectation that the Lebanese-Syrian meeting will render a drastic solution to the Lebanese issue, then definitely there are no drastic

**The continued breakdown of law and order, and the inability of people to move freely are behind the call for opening new airports**

solutions to the Lebanese crisis at present, but there is a great possibility for the state to regain a minimum degree of its presence, to impose a minimum of acceptable security, and to stop the economic collapse. I think that these three goals could be achieved through the Lebanese-Syrian summit meeting. Although it might not be possible to have a drastic solution to the Lebanese crisis, but it is possible to have a long-term truce, during which the Lebanese can take a deep breath while the basis of Lebanon's re-unification can be established, and deterioration can be halted. We can describe what is taking place, as an attempt to stop the deterioration, but not a solution. Halting the collapse is a big step towards the solution.



All security plans set for West Beirut have so far failed.

Why drastic solutions for the capital's security are not being set, and who is responsible for the state of lawlessness, in your opinion?

It is quite natural to see all attempts

to stabilize security in West Beirut fail, because there can be no serious and stable security except through the legitimate authority. Anything else would be mere attempts that may survive a week or two, or a month or two, following which they will collapse. Only the legitimate security can be firm and last long, because the legitimate authority treats all the citizens alike and maintains law and order on an equal basis. Militia security is not real security, in fact it is a truce among the militias themselves, and a truce between the militias and the public. This truce may hold for a week or two, following which abnormal practices return, and the state of lawlessness resumes. Everybody has become convinced that only the legitimate authority can stabilize security, and therefore there will never be a drastic solution to the security problem except through the restoration of the state authority and the imposition of an equitable and legal security to all the citizens. Everybody is responsible for the state of lawlessness in Beirut. We cannot hold one side responsible for this situation. All the parties on the Lebanese scene are responsible for the lawlessness.

Talks behind the scene are being circulated about the opening of Halat and Kola'at Airports, provided Beirut International Airport continues to operate. How far are these talks true?

Because of the security situation, the setting up of a new airport in addition to Beirut Airport, has been proposed. Security conditions have imposed a sort of actual partition and lack of communication between the Lebanese regions. This issue could be solved if serious security was guaranteed along the Airport highway, and if the

crossings were seriously opened. If this was not implemented, then it would be natural to think of opening other airports to facilitate the travel of the citizens.

In this case, not only Halat Airport will be proposed, the citizens of Bekaa may prefer to travel from Riyak, those of North Lebanon may prefer to travel from Kola'at, while the those of the eastern sector of the capital may prefer to travel without having to pass by the crossings and to use the Airport highway. If the Lebanese-Syrian summit is able to achieve a minimum degree of effective security in Beirut and to open the crossings, then the opening of new airports could be disregarded, but if the situation remains the same, then the opening of new airports will become imperative. I learned indirectly that there is a technical committee studying the possibility of opening airports other than the Beirut Airport, whether in Halat, Kola'at or Riyak, but I am not well informed on this subject.

Lebanon's permanent delegate to the United Nations, Ambassador Rashid Fakhoury, Tuesday officially requested the renewal of UNIFIL's in the South for an additional period of six months. Do you expect the renewal of this mandate amidst the latest attacks on these forces, particularly on the Irish contingent?

I don't think the attacks on U.N. forces will prevent the renewal of their

mandate in Lebanon. This renewal is a Lebanese request, and is part of the international legitimate authority to which Lebanon adheres, because it protects the right of Lebanon to exercise control over its territories to the internationally-recognized borders. It also consecrates the condemnation of the Israeli aggression and occupation of Lebanese territories.

Therefore, the renewal of UNIFIL's mandate is not only a Lebanese national request, but it is the request of all friends of Lebanon, who insist on having Lebanon an independent state. The attacks on the international forces, they are made either by Israel or to serve its interest.

**There is talk of security explosion before or after the summit in a bid to thwart it. What is your opinion?**

It is quite natural that those harmed by the Lebanese-Syrian meeting will try to do everything in their power to thwart the meeting or to hinder the implementation of its outcome. We have become accustomed to this in the past. The opponents to this meeting are not weak. Israel is not weak, and will try to thwart the meeting and obstruct its outcome. This is part of the strategy. This meeting will definitely succeed, because it is at present, the only way to a minimum degree of reaching a truce in Lebanon, and a pretext to the solution. The explosion will take place, but what is important is how to confront it and to work to prevent the failure of this summit. If we become aware that this step is the means to resolve the Lebanese problem and other problems as well, then we can overcome all obstacles. Personally, I hope that this meeting will be held, and



**Militias-enforced security is a mere truce among the militias themselves and between them and the public**



will achieve positive results. I believe that this is the only means through which we can come out of the state of economic collapse, and this is the opinion of the majority of the Lebanese at present, who are longing to stop the collapse and to end the political deadlock

**Do you expect the Arab special committee of foreign ministers to succeed in settling the war of the camps. What are its regional and international dimensions?**

The war the camps is an expression of Arab rivalries. In my view, all the committees working for this purpose, cannot solve the Palestinian problem in Lebanon. The solution lies in solving the Arab struggles first, and then solving the Palestinian problem within Lebanon. This is from the Arab angle.

In my opinion, the Palestinian problem in Lebanon has no solution, except through the Lebanese legitimacy. There is no logic in saying that the Palestinian should not carry arms, while the Lebanese who belong to militias may do so. The only solution that is logical is for the Lebanese authorities alone to possess arms.

On the practical level there is a unanimous Lebanese stand, which rejects a return to pre-1982 conditions. The Lebanese refuse any sort of self-security even if it were a Lebanese one. The majority of Lebanese are with the protection of Palestinian civil presence in Lebanon but none of the Lebanese supports armed Palestinian presence within or outside the camps.

**Amid the Prevailing circumstances do you believe that the legitimate authority can handle security in the camps and in their vicinity?**

I believe that, through the Lebanese-Syrian accord, which will restore security in greater Beirut, the status of the Palestinians will be similar to the status of the Lebanese, while the legitimate authority will maintain law and order, and this in my opinion is easy to achieve.

**Smar-Jbeil meeting will be held**



**All attempts to stabilize security in West Beirut failed because stable security could only be achieved through the legitimate authority**



towards the end of this week, at a time preparations are under way to hold the Lebanese-Syrian summit. Do you think this meeting will lead to positive results?

Such meetings may ease inter-Lebanese tensions, and are always beneficial. As for the results I believe such meetings could be positive in relation to the convention of the Lebanese-Syrian summit.

Do you think this meeting is a step on the way of inter-Lebanese dialogue?

Undoubtedly, it is an important step on the way to dialogue among Lebanese factions because its two different political lines represent an important part of the Lebanese public opinion, the line of former President Franjleh and that of President Gemayel. Consequently, rapprochement between them will be beneficial for the sake of an inter-Lebanese accord.

The country is currently facing a severe economic and social situation. If the Syrian-Lebanese summit is held will it positively reflect on the economic situation?

In my opinion the Lebanese-Syrian summit and the attempt to reach a Lebanese-Syrian understanding are both needed to stop the current economic collapse. In case this meeting is held and positive results are reached such as the resumption of cabinet sessions and the restoration of ports to the state then this will curb the present economic collapse and the deterioration in the value of the Lebanese pound. ●

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CSO: 4400/140

## JA'JA' MEETS PRESS: COMMENTS ON SUMMIT

Beirut MONDAY MORNING in English 19-25 Jan p 10

[Text]

The chairman of the Command Council of the Lebanese Forces, Samir Geagea, gave a news conference on Wednesday that, despite the shyness and embarrassing docility of the newsmen interviewing him, revealed a number of important points.

First of all, Geagea does not pin much hope on a Syrian-Lebanese summit. The best that can come out of it is a prolonged cease-fire. The President of Syria, according to Geagea, is «one of the few Middle Eastern leaders with a strategic mind,» and everything Hafez Assad does should be understood in the context of his overall strategic goal. And that goal is, added Geagea, to take over Lebanon.

Therefore, whatever the result of a 12th summit between Assad and Amin Gemayel, Geagea will remain unimpressed. There cannot be real peace in Lebanon, says the Lebanese Forces leader, until there is «a balance of power;» meaning, presumably, that the Lebanese Forces will have to reach strategic parity with our neighbors.

Secondly, the Lebanese Forces are willing (and eager), to set up their own «council of ministers» in the «liberated areas if that is what the people want.» Geagea, rejecting accusations that the Lebanese Forces were responsible for price inflation or for the collapse of the Lebanese currency, said that the real culprit, was the non-existent government. If the Lebanese Forces were to do something about the situation they would have to form their own cabinet. «But if that is what people

want,» he said «they will have to know that it means.» Partition, in other words.

Thirdly, Geagea promised that the Halate airport would be in operation «soon» and that the Middle East Airlines would be the airlines of all the Lebanese or «it will cease to be altogether.»

MEA is in the black, every year, to the tune of 450 million Lebanese pounds, but if it was allowed to pick up traffic from Halate Geagea argued that it would soon be showing a profit. But the airport in Halate, he added, should be opened for humanitarian reasons, if for no other. The argument put forward by some that an airport in Halate would be a partitionist move made no sense, Geagea said. «Why is travelling by sea

from Jounieh alright but travelling by air wrong? Halate will be open soon and the Lebanese Forces were willing to use all means including military ones, to ensure that it is operating in the near future. The audience, conceivably many of them experienced sea-sick travellers, applauded.

What was transparent throughout the news conference was the sad fact that the Lebanese Forces do not share the optimism of some who see the forthcoming summit as potentially a critical turning point in the civil war. There was no talk of dismantling Lebanese Forces institutions, but rather of consolidating the existing ones and creating new ones. It was also clear from what was said, that not all is well between the various Christian leaders. Geagea said that there was a «healthy» difference of opinion between him and the president, the Maronite patriarch, and the Army commander. Disagreement, he pointed out, was necessary in a democracy. In a non-democratic state it could prove a sign of future trouble, and this many people fear. ●

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CSO: 4200/335

## DOMESTIC DILEMMAS, PALESTINIAN ROLE EXAMINED

Beirut AL-HAWADITH in Arabic 26 Dec 86 pp 4, 5

[Article: "A Summit of Arab Leaders Alone Can Curb the Internationalization Plans"]

[Text] The former Lebanese president, Fu'ad Shihab, was the first to link the Palestinian question in Lebanon to the factional question in an official statement. He spoke of it once while apologizing for not making the Palestinians' mission easy, or even displaying a friendly attitude toward them. In 1960, he received a group of young Palestinian leaders of that time, including Ahmad al-Yamani, 'Abd-al-Karim Hamad, Wadi' Haddad and others. The delegation submitted the Palestinian camps' complaints about the Lebanese security agencies to him. After listening carefully, Shihab said, "Lebanon consists of factions, each faction has a stake, and in order for us to discuss the subject of the Palestinians they must be classified as a faction." He went on, "If we do that, we will find that you are a group of people consisting of 300,000 persons, that is, you are the fourth faction in Lebanon, are living in communities and have parties and a general unified political view. If you get full freedom of action, you will not leave much to the Lebanese factions. Therefore you are facing difficulties with Lebanese security." He said, "If we interfere in your affairs and if we leave you as you like, we will be unfairly treated." He then revised the statement: "However, our young people (that is, the Lebanese second bureau) would rather be unfair than be unfairly treated."

Since then the relationship between the Lebanese authorities and the Palestinians has not been stabilized on a basis that was brotherly and solid at the same time.

When Palestinian guerrilla activity became conspicuous in the late sixties, people agreed over the immense magnitude of the problem emerging in Lebanon, but they disagreed over the means for solving it. The majority of the Christians advocated the need to get rid of the Palestinians by every possible means, and the majority of the Moslems said that getting rid of the Palestinians would come about not by fighting against them, but by fighting with them. The emergence of a Palestinian state would be a solution to the problem of two peoples for which no alternative existed, and thus the dispute



was no longer to be considered just Palestinian-Lebanese; rather, the dispute over this subject had become one among the Lebanese as well.

One of the difficulties the Palestinians are facing today in Lebanon is that the dispute that concerns them has evolved from being a Christian one to one with a segment of the Moslems. There are Moslems on their side, there are Moslems against them, and the Christians are in the position of onlookers.

The major difficulty arises not from a Moslem faction's positions on the Palestinian armed presence but rather from the basic critical nature of the Palestinian situation in Lebanon. It is true that the Palestinians do not want to settle for once and for all in Lebanon, but they will remain the source of the fear of some Lebanese as long as they bear arms and belong to a cause which is revolutionary in character, and therefore they will continue to be accused of settling. Therefore, they will continue to be drawn to the voice that comes from amongst themselves and says, "If we leave the camps, where will we go?" Abu 'Ammar's wisdom might be that he has always raised and always raises this question, in attempting to give the Lebanese Palestinians a concrete form as a symbol of a tragedy which it is difficult to resolve -- if it is not out of the question to resolve it.

It has been noted that from the purely regional standpoint, the most fortunate countries have been those which gave the Palestinians the rights of full citizens during the search for refuge in 1948. In Syria, for example, the problem has been almost totally solved because of the farsightedness the rulers of Syria showed in the years of the first catastrophe.

In Lebanon, the Lebanese balance has not allowed the Palestinians to be granted their full civil and political rights. Because they are Moslems of a specific creed, difficulties have obstructed them and they have borne them for a long time, without much complaint, because the Lebanese climate has assured them political freedom and economic freedom, if to an incomplete extent. They have participated in economic life, have been of use and have benefited. Politically, they have lived their golden age in Lebanon following the departure from Palestine. A generation of Palestinians has arisen which feels that it is as much Lebanese as Palestinian. During the recent negotiations on the resolution of the question of the camps, one of the people conducting the discussion in the name of the Palestinians described this joint Lebanese-Palestinian affiliation by saying that it was similar to the story of the woman in the fable who wanted to divide up her heart among her six children, and each one of them then obtained a whole heart! By this, he had meant that he felt that he was a full Palestinian and a full Lebanese at the same time.

When a politician heard the story of the woman with the six hearts, he said, "Six hearts are not enough to solve the Lebanese problems, because what are at issue now are the rights of 17 factions, not to speak of the Palestinians' rights. Therefore what is needed are 18 hearts, which the Lebanese government will distribute among all the factions present on the Lebanese stage."

It is clear that the Lebanese problem is continuing to grow every day. One manifestation of this has been the appearance of Iranian personnel, in

addition to the Lebanese, Palestinian, American, Soviet, French, Algerian, Libyan, Vatican, German, Abu Dhabi and of course Syrian and Palestinian personnel that existed previously.

What are the constants, among all these personnel, are the Lebanese, Syrians and to some extent Palestinians. The others vary and are of differing magnitude, in accordance with the times. The Americans sometimes seem to be everything, and sometimes to be the weak party, the cat whose dinner the mouse eats.

The strength of the Palestinians arises not only from their being a great Lebanese faction in magnitude but also from their being a people who stand out among the Arabs. All the segments of the Palestinian people, spread about all the Arab countries, indeed the various parts of the world, move to ward off any harm that befalls that segment of the people which is in Lebanon. A major Palestinian uprising occurred in the West Bank at the same time that the war of camps was going on in Lebanon, provoking Palestinian feelings in Lebanon also and giving Abu 'Ammar an additional card to strengthen his position not vis-a-vis the Lebanese AMAL movement that was fighting him, not vis-a-vis Syria, which was working to eliminate his political line regarding Palestinian and Arab action, but also, and in particular, vis-a-vis the other Palestinian parties whose practical credibility had declined following the developments of the war of the camps in Lebanon, since the dialogue of words had become the only one they had, whereas the real calculations in the minds of Lebanese and Arab leaders and international bodies concerned Yasir 'Arafat, who, after lengthy experiences, had become proficient at the art of using defeats and victories together on behalf of his strategy in Lebanon -- God best knows what that is!

Yasir 'Arafat is now working in order to Arabize the current crisis in Lebanon, indeed internationalize it if that is possible. This reminds us of his opposite position when before the Israeli invasion in 1982 he considered that Arabization of the Lebanese-Palestinian crisis and any internationalization of it were high treason. His political adversaries say today that through Arabization and internationalization, Abu 'Ammar wants to weaken the Syrian role in Lebanon and make it seem as if it is one possible role, not the only one.

The Lebanese forces have exploited the developments of the war of the camps to say that this is a Syrian-Palestinian war that has no connection to Lebanon and the Lebanese government in it. They say this in the course of calling for the Lebanese government to enter in as a basic group which will carry out a dialogue with the Palestinians and stating that AMAL is not the spokesman for Lebanese sovereignty, Lebanese independence and Lebanese security -- indeed, the Lebanese forces, most likely, want the bloody skirmishes about the camps not to stop before everyone is convinced that no solution is possible aside from the one that passes through the Lebanese government and its security agencies.

What has lately been confirmed in actual conditions is the proliferation of doctors about the bed of the Lebanese patient; this proliferation itself has become a problem in itself. What permanent peace is the one created by the

Iran of the Islamic revolution, in a country half of whose inhabitants are Christians who are adamant about their belief in Christianity! Is it possible to imagine these Christians satisfied with the fluctuating conditions of war and peace around the town of Maghdushah, which they consider the symbol of their presence in the important region of the south, alongside Jaz'in and Marj'uyun?

There is no doubt that when Abu Jihad (Khalil al-Wazir) declared, from Baghdad, his agreement to an end to the war of the camps, he did not seriously believe in the Hizballah's ability to seize control of the situation by itself, since, if he really had, it would not have been easy for him to agree that Iran should have a role in resolving a question of such importance, delicacy and complexity -- nor perhaps would it have been easy for him to declare that from Baghdad specifically.

However, it still is a sign of the proficiency of Iranian diplomacy that it manifests itself in a peaceful form in Lebanon and plays a role in an issue connected to the Palestinians at the time when the Western media are accusing it of receiving weapons from Reagan, indeed of being in contact with Israel to that end. It is thus refuting everything that is said and rejuvenating its reputation as an Islamic movement and one that is trusted by the Arab and Palestinian revolutionary forces in particular.

However, this is one thing and a solution to the Lebanese question is something else. Every passing day confirms that there are constants in any solution that can last in Lebanon. The most important of these constants is agreement between the two Islamic and Christian parties, the survival of the free Lebanese regime politically and economically, and the establishment of Arab guarantees for the Lebanese Moslems, to be matched by Western guarantees for the Christians. It is hard to imagine any solution monopolized by the Moslems and the Arabs or any other monopolized by the Christians and Westerners.

Lebanon has twice experienced a resolution of its internal divisions. The first time was in 1943, when the resolution came about at the hands of Bisharah al-Khuri and Riyad al-Sulh, and Syria and Egypt, on the part of the Arabs, and Britain on the part of the West, supported it. This solution emerged, succeeded and lasted until 1975, in the course of which Lebanon was guaranteed political stability, economic prosperity and a resurgent, civilized role in the Arab area.

The second time Lebanon experienced a resolution, though at a lesser level of magnitude, was at the hands of Fu'ad Shihab in 1958. Jamal 'Abd-al-Nasir guaranteed this solution for the Arabs and Eisenhower guaranteed it for the West. This solution was given the name "neither victor nor vanquished," because it came after bloody events which had lasted 6 months, in which both of the belligerent Lebanese parties were incapable of full victory.

If Lebanon realized its independence and its Arabhood in 1943 and regained its equilibrium in 1958, that was to a large extent because the Arabs were strong in both periods. In 1943, the Arabs made the first organized attempt at joint Arab action through the establishment of the Arab League, and they



were promised the grant of independence as a result of the exemplary atmosphere of World War Two.

In 1958, 'Abd-al-Nasir had emerged from a great political victory in the wake of the Suez war, the Arab peoples had rallied around him and Egyptian unity was proceeding toward inevitable fulfilment. It was natural that Lebanon would receive strong support in both cases and would consequently be able to create a successful formula for survival.

The question now is, will Lebanon be able to find for itself bases for endurance and stability resembling those that existed in the past, with the state of the Arabs the way it is now?

Arab weakness is quickly reflected on the Lebanese mirror, which is highly translucent, and the absence of common Arab action in the proper sense, the Gulf war, the abyss of the bloody hemorrhage in the Western Sahara, Chad and the southern Sudan, the dispute with Egypt and in particular the Israeli occupation of southern Lebanon, the West Bank and part of Syria have all weakened the Arabs to the point where Israel in 1982 dared to occupy the first Arab capital, Beirut. Though Israel was not able to prolong its occupation of the Lebanese capital, it managed directly or indirectly to become an effective element in the Lebanese equation. Whoever imagines that Israel is not present on the Lebanese political and military map is succumbing to a great illusion on which proper solutions cannot be based.

The Palestinian resistance, then the Lebanese national resistance, which have played a role in curbing the freedom of Israeli action, have risen up in the face of this situation, but this resistance has not been able to draw all the Lebanese to it, because of the deep political disputes within their ranks, and it has continued to be attributed to a part of Lebanon to the exclusion of another and surrounded by well known Lebanese sensitivities which often lessen the effectiveness of sincere national orientations in the direction of the people.

The people who are optimistic about a truce with respect to the camps in Lebanon are numerous, but people who are optimistic about a permanent stable solution to the Lebanese question, and even Lebanese-Palestinian and Lebanese-Arab relations, are few. The premier of Lebanon, Rashid Karami, recently earned the nickname of chief pessimist, whereas he had been the first of the optimists. It appears that his current pessimism is due not just to the difficulties and dangers his cabinet has faced, but to his conviction that the current facts in the Lebanese situation do not indicate the possibility of a rapid, serious resolution to the crisis.

However, experiences have taught the Lebanese always to expect surprises that come from above, that is, from the meetings of Arab and non-Arab leaders. Weakness among peoples does not mean of necessity that leaders are also weak. Rather, sometimes weakness among peoples gives great freedom of action to the people on top, and therefore hopes are still pinned on a meeting that could be held suddenly between President Amin al-Jumayyil and President Hafiz al-Asad. Hopes are also pinned to the same extent on an Arab summit in which the Arab kings and presidents will try to solve the Lebanese crisis

and dispel the notion of the internationalization of Lebanon, which arises everytime the feeling of impotence becomes general. Lebanon must remain Lebanese and Arab, and that will not be provided through the notion that has been raised of internationalizing the Lebanese crisis as a whole, because internationalization means handing the Lebanese patient over to the foreign doctors for once and for all.

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CS0: 4404/192



OPEC SETS NEW PRICE, PRODUCTION QUOTAS

London AL-TADAMUN in Arabic 10-16 Jan 87 p 37

[Article by 'Adil Murad: "Oil Detente Following OPEC Agreement"]

[Text] OPEC turned over a new leaf with the onset of 1987 by concluding the Geneva agreement that sets a production ceiling of 15.8 million barrels of oil a day for the first half of the year as opposed to 17 million during 1986. This represents a reduction of about 7.6 percent distributed almost equally among member countries. As of next February, OPEC countries will abide by a new official price of \$18 a barrel.

These measures are considered as one of the boldest steps the organization has taken in its 28-year history, thus lowering the curtain on the worst year in its history during which prices slumped to one-third of their previous levels, and speculations, barbers and discounts that almost did away with it reigned. The real test of OPEC's resolutions will come in February when the new official price will become effective in a market that is still suffering from surpluses and massive strategic reserves in industrial countries and companies.

Positive factors and indicators, however, seem to favor the organization. As soon as the agreement was reached following 10 days of continuous meetings, spot market prices began going up. In only 24 hours, the price of North Sea oil reached the \$18 limit the organization had set as a benchmark for its prices. Shortly before the meetings, the North Sea oil price was less than \$16 a barrel. It appears that the prevailing notion in world oil markets is that OPEC countries this time will abide by official quotas and prices because the expected benefit will include all exporters and because the incumbent OPEC president, Rilwanu Lukman, the Nigerian minister of oil, appended the announcement by saying that the production level may drop further if necessary to defend prices, something the industrial countries understand to mean an ultimate commitment to \$18 a barrel.

The oil-producing countries outside OPEC (save for Britain and the USSR) have declared their solidarity with OPEC resolutions and their decision to cut production at rates proportionate with OPEC production cuts. It is certain that the new price ceiling will favor the energy sectors in the United States and Britain, the sectors that have been devastated by the price slump, as well

as in favor of debtor Latin American countries, such as Mexico (\$96 billion in debt) and Venezuela (\$34 billion) whose regained ability to pay their debts is important to western banks.

Although western oil companies do not declare their support of the new price ceiling, they nonetheless often considered a limit of \$15 and lower as not encouraging continuation of the exploration and investment program in the long run. Furthermore, low price limits have killed most programs aimed at finding and conserving alternate sources of energy.

Moreover, the Organization for Economic Cooperation and Development [OECD] has clearly stated that the expected profit from lower oil prices did not materialize. The growth rate in industrial countries in 1986 did not exceed 2.5 percent despite the drop in oil prices, as opposed to 3.1 percent in 1985 and 4.7 percent in 1984. OPEC concluded that the drop in oil prices was coupled with an economic recovery recession. What OPEC did not mention was that the Arab consumer and the western manufacturer did not benefit from any positive results of lower oil prices because governments seized the greatest part of the profits in the form of taxes and additional fees and because the huge differences were used to support balances of payment and government spending programs, including armaments.

Western media coverage of the recent OPEC agreement manifested a tone of satisfaction and a sign of relief that the disruption in oil prices--something that serves neither the consumer nor the producer--will be over for at least half a year, during which some planning for the rest of the new year could be made. Furthermore, the signs of welcome for the Saudi role within OPEC, particularly in the consummation of the recent agreement, were clear. If the sign was not explicit, the recognition was that OPEC, led by the moderates, is better than a random market ruled by individual deals. This is the opposite of what the western media was calling for only a year ago, that supply and demand in a free market is the best way to set the price of any commodity, oil particularly.

The last thing to point out is that the agreement was passed unanimously by 12 members and Iraq's non-commitment (it was exempt from the quota in the previous agreement) to a set quota lower than that set for its adversary in the long war, Iran. However, even if Iraq were to increase its production during the coming months, the effect will not be great on the oil market if the others adhere to their commitments.

Should things go as well as expected during the first half of 1987, the OPEC ministers will meet again in Vienna on the 25th of next June.

[See table below]

# New Quotas Set for OPEC States

State	New Quota	Old Quota
Saudi Arabia	4.133	4.353
Iran	2.255	2.317
Iraq	1.466	----
Nigeria	1.238	1.304
Venezuela	1.495	1.574
Indonesia	1.132	1.317
Kuwait	.948	.999
UAE	.902	.950
Algeria	.635	.669
Qatar	.285	.300
Ecuador	.210	.221
Gabon	.152	.160

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## YEMEN ARAB REPUBLIC

### PRESIDENT DISCUSSES ECONOMIC ACCOMPLISHMENTS, GOALS

Sanaa AL-THAWRAH in Arabic pp 1, 2

[Interview with President 'Ali 'Abdallah Salih by 'Abdallah al-Nuways, place and date not specified]

[Excerpts] The newspaper AL-ITTIHAD, which is issued in Abu Dhabi in the United Arab Emirates, published the text of an interview with Brother Colonel 'Ali 'Abdallah Salih, president of the republic, supreme commander of the armed forces, and secretary general of the People's General Congress, conducted by Brother 'Abdallah al-Nuways, editor-in-chief of the newspaper. Herein follows the text of the questions and of the president's answers to them.

[Question] Your excellency, under your leadership Yemen has made a great leap in development whose benefits cover various facets of life, and the rebuilding of the Ma'rib Dam and then the discovery of oil care as new yields and opportunities for well-being and development. What are your plans and programs for exploiting this new wealth?

[Answer] The development plans and programs in our country depend on the available opportunities and on any new wealth, whatever its economic returns. They will automatically be put to use in the service of the comprehensive development of the people and the land, because our ambitions cannot go beyond this aspect at a time when we are still suffering from inherited backwardness. The rebuilding of the great Ma'rib Dam and the oil discoveries will be among the new mainstays of our national economy, and they will be used for opening broader areas for future development plans.

[Question] What do you think will be the economic return of the Ma'rib Dam and its effects on economic and social development in Yemen--also, the economic return of the oil discoveries, and the effect of all that on Yemen's self-sufficiency?

[Answer] Our national economy depends first and foremost on agriculture. The great Ma'rib Dam will help to expand agricultural acreage, and thus, along with the oil discoveries, it will have broad returns strengthening the development plans which aim basically at achieving the development that we are striving for in the economic and social fields. This of course will have its effect on the reliance on national products, especially in the agricultural field.

[Question] Your excellency, what are your plans in the area of searching for natural resources, and what efforts and studies have been made in this area? What resources are there in the Yemen Arab Republic that would give a profitable return?

[Answer] I mentioned previously that any new resources would be directed to the service of the development plans and goals, and we are working hard to expand the areas of searching for natural resources in order to strengthen these plans with greater potential. Our country is still continuing to search for and study other natural resources besides oil in order to determine to what extent they may be profitable. There are many natural resources which studies have shown to be economically feasible, such as copper, zinc, iron, salt, coal, sulfur, nickel, granite, marble, glass, ceramic, and other minerals.

[Question] How much do you expect to benefit from the resources present on the floor of the Red Sea? Have you conducted a survey of these resources and the possibilities of exploiting them? What ambitions do you have in this area?

[Answer] We have begun to conduct surveys and studies to discover these resources in shallow water and in our territorial waters in the Red Sea, and there are some companies that are continuing to search so that it will be possible to exploit these resources in the service of our people's aspirations and their broad development goals.

[Question] Your excellency, how do you view the role that might be played by expatriate Yemenis in the development process?

[Answer] Our expatriate brothers play an important role in the comprehensive development plans and programs, and although in previous phases their investments were concentrated in trade and construction, and to a certain extent in industry and agriculture, in the upcoming plans it is intended that their savings be invested essentially in agriculture and industry.

[Question] Your excellency, what are the goals and features of the upcoming 5-year development plan? How much will be invested in it, and what are its economic, social, and political goals, and what are the most important production projects and principal service projects that are included in the plan?

[Answer] The overall picture of the third development can still be seen through the popular establishments and the specialized agency working through democratic principles on the plan to do away with the negative aspects of previous plans. Its general goals are the welfare of the country and overcoming the legacy of backwardness that it has suffered from for a long time. I can say that this plan will be more realistic and compatible with the capabilities that we have, so that we might pursue all our ambitions and aspirations upon a sound footing. We have been anxious to make new achievements, and we are on our way to achieving these ambitions and aspirations, God willing. Investments in agricultural and industrial production in addition to services will be one of the most prominent features of this plan.



[Question] How do you imagine the Yemen will be in the year 2000, and what are your ambitions in this respect?

[Answer] A person's imaginings might be overblown if they were not based on precise, practical plans and programs that oversee the various developments and changes, especially the economic and political ones. On this basis, we see our country in the year 2000 having been able to overcome the split by achieving Yemeni unity, and having made broad, comprehensive accomplishments, especially in the fields of agriculture and industry and human development, providing for the individual educationally, culturally, socially, and with respect to health care. Thus there will be in sound abodes people to bear the responsibilities of the future and pursue developments in the appropriate manner, and the people will truly be able to continue the course of development and achieve the broad, popular ambitions and aspirations.

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## YEMEN ARAB REPUBLIC

### IBB PROVINCE ACQUIRES NEW SCHOOLS, MORE PUBLIC UTILITIES

Sanaa AL-THWRAH in Arabic 27 Dec 86 p 3

[Text] Yesterday Brother Yahya al-Mutawakkil, governor of Ibb province and a member of the permanent committee, opened the Saba' elementary school in the al-Shumani region, Hubaysh county. The school consists of three classrooms and related supplies, and it cost 300,000 riyals and was financed by the local committee and the people. He also opened al-Tawfiq school in al-Mukasabah in Hubaysh county. It consists of three classrooms, and it cost 250,000 riyals and was financed by the local council and the people. He also opened 'Akb preparatory school, which cost 380,000 riyals and was financed by the local council and the people.

Following that, the governor and member of the permanent committee laid the foundation stone for a secondary school in the Zalmah region, the Hubaysh county seat. It will cost 1,200,000 riyals, which will be provided by the local council in cooperation with the people.

In the Hazm al-'Adayn county the governor opened al-Jabjab school, which consists of three classrooms with facilities. It cost 300,000 riyals, and was financed by the local council and the people. He also opened an elementary school in al-Aj'um, al-Hazm county, which cost 380,000 riyals and was financed by the local council and the people.

He also laid the foundation stone for the al-Hazm county water project. It will cost 2 million riyals and will cover the needs of 10,000 people for clean drinking water. It will be financed by the local council and the people. He also opened the September 26 elementary school having three classrooms in the county. It cost 300,000 riyals and was financed by the local council and the people.

In Hubaysh county the governor opened al-Wihdah elementary school in al-Qura'i. It consists of six classrooms, and it cost 600,000 riyals and was financed by the local council and the people.

After that the governor opened the administration headquarters of al-Hazm county, which cost 400,000 riyals, of which the local council paid a part.

He also laid the foundation stone of the Banu 'Abd al-Salam water project in al-Hazm county. It cost 2,500,000 riyals, and was financed by the local council and the people.

In the city of Ibb, Brother Yahya al-Mutawakkil, governor of the province and member of the permanent committee, laid the foundation stone of the central garbage disposal plant, which will cost 24 million riyals and be financed in part by the Federal Republic of Germany. He also laid the foundation stone for the central slaughterhouse in the city of Ibb. It will cost 12 million riyals, and it will be executed in part by the Dutch government.

The governor also inaugurated the third phase of the street lighting project in the city of Ibb. It cost 3 million riyals, part of which was paid by the local council in the city, which contributed an amount of half a million riyals.

After that, he laid the foundation stone for six additional classrooms in al-Nahdah secondary school in the city of Ibb. It will cost up to 2 million riyals, and the project will be financed by the city's local council.

Furthermore, on this occasion ceremonies were held at the Abu Dhurr al-Ghafani school in the al-Aj'um region, al-Hazm county, and at al-Wihdah school in the al-Fara'i region, Hubaysh county, during which speeches were made by the general directors of the two counties and of the local councils for cooperative development and the people. The speeches welcomed the governor on behalf of the people of the regions, and they extolled the achievements that our country sees every day and which have been achieved under the leadership of Brother President Commander General Secretary Colonel 'Ali 'Abdallah Salih, affirming that is an indication of the sound course and true direction taken in applying the lofty goals and principle of the eternal 26 September revolution and of the contents of the national charter.

The speeches expressed the people's joy and delight over the implementation of these service and developmental projects which will help to raise the standard of living of the people of the regions socially, educationally, and healthwise.

Brother Yahya al-Mutawakkil, governor of the province and member of the permanent committee, spoke to the people of the two countries, conveying to them greetings from Brother President Commander General Secretary Colonel 'Ali 'Abdallah Salih, and he said: "We are attending the festivities surrounding the implementation of these developmental projects, especially in the regions that were deprived of projects during the bygone era of the imamate, to affirm in the name of the leadership and the government that the projects and achievements of the revolution today reach every village and tribal group throughout our country so that the benefits of the revolution can encompass all of our people."

He pointed out that the inauguration of these projects and the laying of the foundation stones of other projects in these regions were nothing but an indication of the state's interest in bringing about a life of ease and prosperity for every individual person throughout the regions of our country.

During the inauguration and laying of the foundation stones of these projects, the governor and member of the permanent committee was accompanied by our brothers Lt Col Muhammad al-Sanabani, the commander of the province, and Muhammad al-Sabri, secretary of the branch of the general union of local councils for cooperative development, and by a number of officials in the province, the directors of the two countries, and chairmen and members of the local councils in the two counties.

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SANAA HOSTS INTERNATIONAL CONFERENCE ON BARREN LAND RECLAMATION

Ta'izz AL-JUMHURIYAH in Arabic 7 Jan 87 p 2

[Article: "Minister of Agriculture and Fisheries Opens 2nd International Conference for Classification and Management of Arid Land"]

[Text] Dr Husayn 'Abdallah al-'Amari, minister of agriculture and fisheries and standing committee member, yesterday morning opened the 2nd International Conference for the Classification and Management of Arid Land organized by the Ministry of Agriculture and Fisheries in cooperation with the Arab Center for the Study of Arid and Barren Land and the International Agency for Development. This 10-day conference was attended by representatives from all the Arab countries and 20 experts and specialists from India, Pakistan, the United States, Belgium and Latin America, in addition to a number of Ministry of Agriculture and Fisheries specialists.

The conference aims to standardize arid land studies and land management in the YAR. The opening session began with a prayer from the Koran. Dr 'Ali al-Thawr, director of the Regional Station for Agricultural Research for the Southern Heights, then delivered a speech welcoming the conferees and pointing out that the conference was being held at a time when all Arab countries were seeking to raise their agricultural production and secure food for a growing population.

He emphasized that our political leadership under our president and secretary general, Colonel 'Ali 'Abdallah Salih, had accorded the agricultural sector special attention in the second and third 5-year plans, pointing out that the plans included the study and survey of natural resources, including soil and water and ways to conserve and develop them. In his speech, he explained that following the opening of the great historic Ma'rib Dam, the agricultural development plan is focusing on conducting elaborate studies to survey and classify the soil and to evaluate the land for agricultural use and crop distribution under irrigation conditions, particularly the 1,000 hectare area that is irrigated by the dam and specified in the first plan. It is also concentrating on the preparation of soil charts, land gradation and agricultural exploitation, as well as soil conservation and higher production



Dr 'Ali Thawr said in conclusion that this conference is aimed at the exchange of expertise and data among agronomists, the standardization of agronomical terminology, the examination of problems facing the development process and the creation of appropriate solutions through scientific papers and reports.

Dr Ahmad 'Uthman, director of land management at the Arab Center for the Study of Arid and Barren Land, followed with a speech in which he alluded to the importance of this conference being held in this country that accords great attention to agricultural development, explaining that the center has held numerous seminars and training courses in a number of Arab countries with a view to arriving at a standard system of soil and land classification, unified terminology, laboratory analysis and field specifications.

In conclusion he expressed his thanks to the Minister of Agriculture and Fisheries, members of the standing committee and to ministry officials and all those who helped prepare for this conference. This was followed by two speeches by Dr Hadi Azyuran, director of the "Soil Subsidy Program Department" in the United States and Dr Michael "Lekomski", director of the agricultural section of AID, pointing out the importance of the conference being held in San'a and the importance of the land classification results emanating from the conference through the use of the land map system.

The speeches stressed that the coming together of such a gathering of experts and specialists would certainly lead to positive results that serve agricultural development in the YAR and help remove the obstacles impeding the development of arid areas.

At the end of the opening session, Dr Husayn 'Abdallah al-'Umari, minister of agriculture and fisheries and member of the standing committee, delivered a speech in which he said:

"Perhaps it is fortunate and a delight for me to welcome you a time when this conference of yours is being held while our people, since last September, have been innaugurating finished projects and breaking grounds for new projects to be erected as part of the celebrations of the glorious September Revolution which is passing through its brightest and most productive stages under the radiant charter stage led by leader and commander, Col 'Ali 'Abdallah Salih, president of the republic, commander-in-chief of the armed forces and secretary general of the General Popular Conference."

He said: "Ever since the outbreak of the glorious September Revolution our country has achieved many accomplishments in all fields despite the difficulties and impediments it has faced from the start. Indeed, and as a consequence of the backward rule of the imam under which our people suffered, our country used to suffer from universal backwardness in all aspects of life: economic, social, health and cultural. Hence, the task of enabling Yemen to catch up with the second half of the 20th century was an extremely difficult and complex one. Nonetheless, our people has succeeded in achieving many accomplishments and in overcoming the difficulties by founding a modern multi-establishment state, something that did not exist a quarter of a century ago."

The minister added: "Many accomplishments and projects have since been achieved, but the agricultural sector, which has been abandoned by a large number of its population in search of work abroad, has not received its fair share of attention as the economic sector that embraces a high percentage of the work force, over 70 percent of the total work force in Yemen, in addition to its being the largest contributor to the GNP. This sector was denied its fair share of attention until the faithful son of Yemen, Col 'Ali 'Abdallah Salih, president of the republic, commander-in-chief of the armed forces and secretary general of the General Popular Conference, came to power and accorded great attention to the agricultural development process, pushing it forward and giving it priority over all other economic sectors. Indeed, he went further than that, announcing that all production would be devoted to the growth and development of the agricultural sector. Therefore, most of the huge accomplishments in this sector were achieved only under his wise leadership and sincere direction. Perhaps the construction of the great Ma'rib Dam, a dream come true for our people, is a clear testimony to such wisdom, sincerity and direction."

Dr al-'Umari went on to say: "As a result of the attention the government and our political leadership is currently according the agricultural sector, we have been able to achieve many accomplishments. For besides the accomplishments and investments achieved in the Tihama Plain--during the second 5-year plan alone the cost was 249,307,000 riyals--numerous integrated rural development projects have been set up, covering 8 of the republic's 11 governorates. Total investment in these projects amounted to about 528,374,000 riyals and we are working hard to cover the other governorates with agricultural projects by the end of the third 5-year plan, or at the end of 1991. Add to that investments in the fish and animal wealth development field in the amount close to 327,633,000 riyals, in addition to huge investments in the field of agricultural research for a total sum of 42,585,077 riyals." The minister of agriculture explained in his speech that, despite our political leadership's concern with turning the wheel of development forward, and notwithstanding the arduous efforts by all agricultural sector workers, this sector is still in need of much bold initiative in the investment of national and foreign capital and more Arab and international cooperation and, consequently, continued development and modernization in the use of modern technology.

The minister of agriculture said that agricultural research in our country is, as you know, in its infancy. Therefore, and government attention notwithstanding, it is still in need of more efforts by its researchers in befitting from the experience and research of similar friendly centers as well as participation in seminars and special conferences.

"I am confident that this conference of yours, which is addressing an important issue, the classification and management of arid land in the Arab world, will represent, through the results which it will undoubtedly achieve, a big push for agricultural research in our country in particular and for this aspect, which you are discussing but which has not been fully explored,, in general. My confidence stems from the fact that this conference includes in

land research who, we hope, will come out with good and fruitful results that fulfill the purpose for which this conference is being held."

The minister talked about the most important issues of the international conference: desert encroachment. "Allow me, on this occasion, to emphasize an important issue which may not be the primary one your meeting will discuss, but undoubtedly represents a part of the objective that has brought you together, in addition to its being one of the concerns of the conferees. It is the issue of desert encroachment and sand movement plaguing our country, perhaps not to the same extent as some other countries, but nonetheless remains a big problem due to the fact that arable land is limited in our country. For our population, according to the recent census conducted in the spring of 1986, is over 9 million souls and the area of the arable land by the best estimates is 1.5 million hectares, 70 percent of which totally depends on rainfall, which means that it is planted once a year if we have a rainfall. Hence, to the agricultural production process in our country the land factor is very important at present and in the future in the face of the anticipated high rate of population growth, a problem suffered by many other countries."

#### Emphasis on Study and Treatment of Desert Encroachment Problem

He emphasized that recent international statistics alert us to the fact that, with the high rate of world population growth, an additional 200 million hectares of productive land will be needed by the world population by the year 2000 to meet food needs and replace lost arable land. Add to that the fact that the countries of our Arab area import over \$30 billion worth of foodstuffs. Hence, we are required today more than any other time in the past to study the issue of desert encroachment from all its various angles and multiple causes, be they nature-related such as climate or human-related such as improper land exploitation and unsound farming and irrigation methods that lead to the depletion of ground water or land salination and, consequently, to the loss of arable land or, in other words, desert encroachment. In addition, we are required to outline ways of combatting this desert encroachment. This is not the responsibility of one country or a group of countries, but rather a collective responsibility that concerns us all, but undoubtedly concerns you more than anyone else and is your responsibility in particular and in the first place in view of the fact that this is your specialization and field of work.

#### Agriculture and Arab Center for the Study of Arid Land

The minister expressed high esteem for the existing fruitful cooperation between the Yemeni Agrarian Research Agency and the Arab Center for the Study of Barren and Arid Land that has brought about positive results in the best utilization of land, pointing out that this important meeting is one of the fruits of this cooperation. He also expressed thanks to all those who contributed to the organization of this conference, concluding his remarks as follows: "Your program includes field trips which will allow you to get acquainted with the Yemeni soil and, subsequently, come out with

project in our country forward and will enable us to draw up land utilization and cultivation maps."

Thereupon the first session of the conference got underway under the chairmanship of brother Muqbil Ahmad Muqbil, undersecretary of agriculture and fisheries. A number of reports and studies on the obstacles impeding agricultural development in the YAR, especially those impeding the development of arid areas, were discussed.

Moreover, the conferees will undertake a field trip to most governorates to conduct field studies and describe and classify land sectors that are typical of the prevailing land throughout the country that has been formed under various environmental belts in former times.

The opening of the conference was attended by a number of Ministry of Agriculture and Fisheries officials.

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## YEMEN ARAB REPUBLIC

### FACTS, FIGURES PERTAINING TO MA'RIB DAM

Sanaa AL-THAWRAH in Arabic 29 Dec p 10

[Text] "Indeed there was a sign for Saba in their home-land: two gardens on the right and on the left. Eat of the provision of your Lord, and be grateful to Him. A good land and a forgiving Lord;" thus God Almighty spoke truly.

The project to irrigate the two gardens lies in the plains of Ma'rib province, 120 km east of the capital. The dam is situated at 15.30 north latitude and 45.20 east longitude, 11 km west of the city of Ma'rib and 3 km from the ancient historical dam.

The region is characterized by a dry desert climate, and annual rainfall varies from 50 - 100 mm a year, while the rate of evaporation is 2700 mm a year. During the summer the temperature rises to a maximum of 40°C.

The ancient historical Ma'rib dam was one of the main features of the ancient Yemenite Sabaean civilization, and was an indication of the glory and greatness of our Yemeni people, builders of the most deeply rooted of ancient civilizations. And today they are able to bring back this historical glory, thanks to the eternal 26 September revolution, and thanks to the wise policy of our young leadership led by the devoted son of Yemen, Col 'Ali 'Abdallah Salih, president of the republic, supreme commander of the armed forces, and secretary general of the People's General Conference, who has committed the greater part of his interest to this vital and important project which will benefit not only the region, but also the general national economy.

Our brother the president commander had announced that 1984 would be the year of agricultural development in our country. Most of the agricultural projects were inaugurated in that year, and they were crowned by the signing of an agreement between the governments of the Yemen Arab Republic and the sister state of the United Arab Emirates to rebuild the Ma'rib Dam. It should be mentioned that the United Arab Emirates, represented by the Abu Dhabi Fund for Arab Economic Development had signed an agreement with the Swiss company Electrowatt to conduct a technical and economic feasibility study of the project. That was done on 11 September, 1976, and the company presented its final report in June of 1978.

On 12 July, 1984, the implementation agreement was signed between the government of the Yemen Arab Republic, the Abu Dhabi Fund for Arab Economic Development, and the Turkish Dughush company.



And on 2 October, 1984, his excellency Brother Colonel 'Ali 'Abdallah Salih, president of the republic, supreme commander of the armed forces, and secretary general of the People's General Conference, and his eminence Shaykh Zayid ibn Sultan Al Nuhayyan laid the foundation stone of this project, and work was begun on it as of that date.

#### Properties of the New Dam

##### Its Purpose

The new dam will store rain water and use it when needed for irrigation. It will also protect agricultural lands from erosion, and replenish underground water.

Type of dam: an earthen barrier with a concrete partition in the center.

Source of the water: rain water which collects in the valleys above Wadi Dhanah. "The area over which flood waters will collect is 10,000 km<sup>2</sup>."

##### Discharge Channel

Location: it is situated at the bottom of the right bank of the body of the dam.

Type: it is a tunnel of reinforced concrete lined with an iron pipe 2.5 m in diameter.

Means of control: mechanically by means of a pivoting gateway and a sliding one.

##### General Information About the Dam

--The new dam rises 40 m above the bed of the excavation.

--The bed of the valley is 1188 m above sea level.

--The summit of the dam is 1228 m above sea level.

--The length of the dam at the summit is 763 m. The width of the dam at the summit is 6 m.

--The area of the dam under the water outlet is 195 m.

--The area of the dam basin is 30.5 km<sup>2</sup>.

--The width of the dam at the valley floor is 227 m.

--The storage capacity of the dam 400 million m<sup>3</sup>.

--The natural level of storage is 1222 m above sea level.

--The body of the dam of rocks and building materials is 3 million m<sup>3</sup>.

--The maximum discharge of the valley is 400 million  $\text{m}^3$  a year.

--The intermediate discharge of the valley is 200 million  $\text{m}^3$  a year.

--The maximum depth of the concrete partition is 60, and its surface area is 24,000  $\text{m}^2$ .

--The dam has a channel to discharge water for irrigation, with a maximum output capacity of 35  $\text{m}^3$  per second.

--There is an outlet about 6 km away from the dam. It is 200 m long, and it operates at 1222 m above sea level.

--The area that will benefit from the dam is estimated at 5670 hectares of irrigated land.

10,280 hectares are cropped.

--In the body of the dam there are a number of measuring devices that were installed at various heights and distances in the body of the dam to monitor any changes that might occur in the body.

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## PAPER'S COMMENTATOR DISCUSSES RAJIV'S PERFORMANCE

## Focus on Economy

Madras THE HINDU in English 20 Dec 86 p 6

[Article by G.K. Reddy]

[Text]

NEW DELHI, Dec. 19.

After completing his current tours of some parts of the country, the Prime Minister, Mr. Rajiv Gandhi, wants to devote a lot of attention to the economic situation while the next budget is in the process of finalisation, before he gets busy with the mini-general elections in five States.

Despite their glib talk for public consumption, the Government's top economic advisers are worried that public expenditure is getting out of control with every likelihood of the present inflationary trends reaching the double-digit level before the end of the current financial year.

The only saving grace is that the Commerce Ministry has been able to push up exports by 12 to 14 per cent, amounting to an increase of at least Rs. 1,200 crores. This would raise the total export figure to roughly Rs. 12,500 crores while the imports would be around Rs. 19,000 crores, leaving an overall trade deficit of Rs. 6,000 crores to Rs. 7,000 crores.

In spite of the fall in the crude oil prices and the carry-over of excess fertilizers imported last year, the country is obliged to import more steel products owing to shortfalls in domestic production besides bearing the normal burdens of edible oil imports to the tune of Rs. 800 crores despite some fall in prices in the international market. There is no justification at all for importing even sugar to the extent of Rs. 250 crores to Rs. 300 crores as a result of gross mismanagement of the industry on the home front.

**Heavy import bill:** There has been no decrease in the import of capital goods, since the present policy is to permit acquisition of the latest technology to increase productivity and contribute to better export performance. But as the gestation period between the import of modern machinery and its utilisation is fairly

long under Indian conditions, the country has to bear the burden of heavy import bill for many years, before the trade gap can be narrowed.

**Widening deficit:** The Government is also worried about the sharp increase in defence expenditure and the large amounts being spent on internal security for which no precise figures are available. But when the Finance Minister, Mr. V. P. Singh, himself has begun to talk about the need for deficit finance to the extent of Rs. 5,000 crores, it means that the overall balance of payments position is pretty serious since the deficit of Rs. 3,600 crores provided for during last year is going to be much bigger in the next budget.

There is not only no hope at present of taking any positive steps to bring down public expenditure, but also there is every danger of the spending spree getting out of control in the wake of the increased expenditure on defence and internal security, the increases in salaries and pensions under the Pay Commission's recommendations, the repayment liabilities of the IMF loan and the tendency of many State Governments to carry on the administration with overdrafts.

**Critical dimension:** This bleak economic picture according to experts here, is bound to assume a critical dimension if no timely steps are taken to curtail public expenditure. The Central share of tax receipts next year is expected to be Rs. 22,500 crores which, along with the estimated receipts under various other heads like non-tax revenue, external assistance, market borrowings, small savings and other sources, has been projected at Rs. 55,000 crores against a non-Plan expenditure of Rs. 38,500 crores and Plan expenditure of Rs. 24,000 crores, the total being Rs. 62,500 crores.

**Need for firm, imaginative action:** The Prime Minister, who is not an economist, is naturally concerned about this bleak picture. He wants firm and imaginative steps taken to curtail avoidable expenditure and invest more in productive spheres. But it is not easy for him to prescribe any particular course of action without expert advice which is available, but not always accepted for whatever reason.

The way he has been doling out money to some of the States or at any rate making extravagant promises, has given the impression that he is allowing political considerations and not sound economic reasons to prevail in announcing such decisions. The council of economic advisers has not been striking the right notes of caution at appropriate moments to make the political leadership become more aware of the consequences of soft options in this situation.

And if no bold decisions are taken in the next few weeks, it would be too late for enforcing any worthwhile economy in public expenditure during the next financial year since the budget is going to be finalised in less than two months time.

#### Future Moves Contemplated

Madras THE HINDU in English 24 Dec 86 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, Dec. 23.

After his visit to the Andaman and Nicobar islands this week-end, the Prime Minister, Mr. Rajiv Gandhi, will be going on a cruise with his family for a few days in one of the naval flotillas to refresh himself before beginning the new year with renewed determination to tackle the many formidable problems facing the country at present.

As he completes in the next few days his second year in office after receiving a massive mandate in the last general elections, he has to reassure the people before he reaches the mid-way point of his five-year term in the next six months that he has the capacity to overcome the internal turmoils that are tormenting the country and surmount the external threats to the unity and integrity of the nation.

**Trying period:** The second half of a Prime Minister's term in a democracy is always a trying period, since the public tend to be somewhat disappointed with the inability of the Government to meet their rising expectations. The art of leadership does not, however, lie in attempting instant solutions to intractable problems but in putting in solid performance to inspire greater confidence that the Government is capable of coping with the challenges of orderly development.

The Prime Minister cannot be blamed by any right-thinking people for the happenings in Punjab, regional animosities, recurring communal and linguistic conflicts and other turbulent events that collectively contribute to the present flux, so long as he is able to mobilise the silent majority in favour of restraint and tolerance. But he has to provide the reassuring touch by tackling such issues with the utmost determination for rallying the people behind him.

As Congress (I) President and Prime Minister of the country, he will be engaged in the forthcoming Assembly elections in five States. But according to some of his confidants he will also be utilising this period to sort out his thoughts on what needs to be done to improve the quality of Congress (I) rule in many other States.

The current indications are that after this mini general elections and the end of the budget session of Parliament, Mr. Rajiv Gandhi might go in for changes in several States to get rid of some of the controversial or incompetent Chief Ministers and instal more promising ones in their place. He might also logically go in for parallel changes at the Centre to provide for greater cohesion and better performance.

The Congress (I) rank and file is waiting to see whether in selecting the party candidates for the forthcoming Assembly elections he will be relying again on the advice of the power brokers in the party or exercising his own discretion in selecting those with better reputations. In the absence of any inner party democracy, the country has to depend on the rectitude of the leader to provide the missing standards of probity in public life.

The country has to live with the Punjab problem in some form or the other for a long time, but it does not mean that the Government should imagine that nothing much can be done in the present circumstances. It has to keep on taking a fresh look to sense the opportunities for any new openings in tackling it.

The Government cannot afford to let the impression prevail that the Rajiv-Longowal accord is either dead or has become unimplementable, since the alternative is going to be a more unreasonable stance by the extremists. So it has to be seen to be preparing itself for fresh initiatives even while taking strong steps to put down terrorism.

**N-E situation:** The situation in the north-east continues to cause concern at the Centre and

nobody is able to visualise at this stage what turn the Gorkhaland agitation is going to take in the long run. If there is a renewal of Sino-Indian tensions, one can expect the development of new strains not only in India's relations with the neighbouring countries but also in the sensitive border regions.

It is, therefore, doubly necessary to display greater imagination in handling some of the foreign policy issues that impinge on the country's security, while taking due care to safeguard the country's legitimate interests. There is need to maintain a closer correlation between the country's foreign policy pursuits and its domestic compulsions both in the regional and international contexts.

And all these aspects have been receiving some attention among the Prime Minister's advisers who are well aware of the hazards of the psychic down-turn that could set in in the public attitudes in the absence of solid performance. The whole accent now is on evolving a new set of political, economic and social priorities and coming forward with qualitatively better and workable solutions with a greater degree of pragmatism, instead of promising too much or talking glibly of great leaps forward.

## Strengthening of Congress-I

Madras THE HINDU in English 26 Dec 86 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, Dec. 25.

The Congress (I) leadership is contemplating a series of steps to activate the party in the next two or three months, to the extent possible, in the present circumstances, for preparing the rank and file to fight the forthcoming Assembly elections in some of the States.

After his return from a trip to the Andamans followed by a brief holiday, the Prime Minister, Mr. Rajiv Gandhi, is expected to announce the impending changes in the party organisation as a starting point for several other measures to improve its functioning both at the Centre and in the States.

Among the many steps under consideration are a special AICC (I) session, the first after the centenary session of the party in Bombay last year, a convention of Congress (I) Members of Parliament and State legislators, a new mass contact movement to intensify the party activity at the grassroots level, the opening of training camps to educate the party workers and, above all, the formulation of new criteria for selecting party candidates.

As there is no likelihood of the party elections being held in the near future, Mr. Rajiv Gandhi is reported to be thinking of other ways

of cleansing the Congress (I) to create a reassuring impression that he is trying to do whatever he can to improve the standards of the country's public life. But much depends on what he does in the next few days in selecting the new office-bearers of the Congress (I)'s central office in Delhi, whether he is going to give up the present practice of permitting Chief Ministers and Central Ministers to continue to function as PCC (I) presidents in some of the States, and whether he would logically reconstitute the Working Committee, Parliamentary Board and the Election Committee as well to give a new look to the party leadership down the line.

**New criteria:** A lot of thought is being given behind the scenes to the question of how to improve the quality of the Congress (I) representation both in Parliament and the State legislatures as and when the time comes for selecting better candidates to fight the elections. The new criteria under consideration involve a readiness to take some calculated risks in opting for younger candidates even if they are relatively inexperienced in politics, so long as they have untarnished reputations. The intention is to experiment with this new policy during the next



Assembly elections in States like West Bengal and Kerala, if not Haryana and Jammu and Kashmir, to see whether younger candidates without the stigma of corruption can fare better than the old sinners who have mastered over the years the complexities of political manipulation.

It is this readiness to engage in a bold experiment to a greater extent in the forthcoming Assembly polls than what was done during the last Parliamentary elections, when candidates had to be chosen in a hurry on an ad hoc basis without applying any uniform standards in making the selections, that is prompting Mr. Rajiv Gandhi to make some innovative moves at the organisational level to improve the party's image even at the cost of losing some seats in States where the Congress (I) is not going to make a big dent in any case.

The Congress (I) leaders are also waiting to see whether Mr. Rajiv Gandhi's policy of seeking to stabilise and strengthen his party's position through selective merger without attracting the provision of the anti-defection laws, rather than catharsis that he talked of in his famous denunciation of the power brokers at the centenary session, is going to produce the

desired results. The real test for this new policy will not be in the four or five States that will be going to the polls soon, but in the larger Congress (I)-run States where erosion of its prestige has taken place as a result of many malpractices.

It is not good enough to lay down a set of standards if these are not going to be applied without making many exceptions. It remains to be seen whether competence and integrity will receive a higher rating than mere capacity to win the elections by pandering to the caste and communal considerations. The decision to choose better candidates involves a readiness to lose some seats in a principled context where winning an election is not the only objective in public life.

A sort of hushed debate is going on these days behind the scenes in the inner circles of the party to assess how far the Prime Minister would be prepared to go in cleansing the Congress (I) and ushering in a new era of politics in which there is adequate recognition and assertion of the superiority of better informed opinion.

## Cooperation with Opposition

Madras THE HINDU in English 31 Dec 86 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, Dec. 30.

There are some moves behind the scenes for evolving a bipartisan approach to more basic national problems through better understanding and closer cooperation between the Government and the Opposition.

The Prime Minister, Mr. Rajiv Gandhi, who has established a fairly good personal relationship with the more important Opposition leaders, despite his strong differences with them over many controversial issues, is credited with the view that it is both possible and desirable to develop the right conventions for avoiding adversary roles over issues affecting the country's larger interests.

He is not thinking of a bipartisan approach only to foreign policy problems or matters relating to national security, but also important domestic issues like communalism, Harijan welfare, family planning, reservations, land reforms, employment opportunities, medical care and rural development. The ruling party and the Opposition could evolve mutually agreeable procedures for consultation on issues, so that they could cooperate closely in enacting and implementing legislation on them, without prejudice to their political policies and socio-economic commitments.

## Informal consultations

The Prime Minister proposes to have informal consultations during the budget session with important Opposition leaders for a candid exchange of views on whether such cooperation is possible under Indian political conditions. If so, he would like to have the benefit of their advice on how to institutionalise the arrangements within the framework of the Indian parliamentary system.

If such a bipartisan approach is possible at the Centre, even within the limited spheres of a few issues, the concept could be developed further and extended step by step to the States. The intention is not to discourage legitimate disagreement in the name of consensus, but try to synthesise differing opinions into common approaches by first identifying and then expanding the areas of agreement.

There could be honest differences on issues like Punjab, for instance, with the Opposition parties voicing their strong disapproval of the way the Government has been handling it. But the two could at least cooperate in mobilising the people against terrorism, despite the differing opinions they hold on the desirability of placing Punjab under President's Rule.

The idea is to avoid needless controversy to the extent possible on sensitive issues involving inflamed passions, like communal riots, linguistic clashes or regional agitations, when the need of the hour is for all men of goodwill to get together to urge restraint and moderation. If highly volatile issues of this kind could be isolated from party politics, it should be possible to work out bipartisan approaches through a closer interaction between the ruling party and the Opposition.

At present the whole idea is still in the realm of laudable percept, not even a concept that can be given a practical shape by refining the intention into a workable proposition. The

cross-purpose that has developed in Indian politics over the years, larger through personal antagonisms rather than policy differences, has embittered the relations between those in power and those in Opposition.

It is necessary to erase these scars before any positive steps can be taken to restore mutual confidence and a readiness to cooperate even on limited issues in the country's interests, without suspecting each other's motives or questioning their patriotism. And the current thinking in the inner circles of Mr. Rajiv Gandhi's Government seems to be directed at establishing some degree of rapport with the Opposition.

## Public Image Discussed

Madras THE HINDU in English 1 Jan 87 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, Dec. 31.

At this point of time, when the old year has run out leaving behind a trail of frustrations, it is customary to look forward more hopefully to the new year with greater expectations, if only to sustain one's faith in the future. But nobody has yet invented even in this atomic age a reliable crystal ball to peer through for getting an accurate glimpse of what the new year holds in store for any nation.

One can only hazard a forecast of national or international prospects, in a broad perspective with all its imponderables, on the basis of certain unmistakable trends in the present-day world situation. It would be wise, therefore, to proceed on the assumption that 1987 is not going to be radically different from 1986 in its essential aspects, except that the present world-wide ferment might get worse before it becomes better in the wake of a glimmering intuition that solutions are still possible even to intractable international problems.

The world is no longer a prisoner of the past, standing helplessly at the cross-roads of history, unable to make up its mind which way to take for moving away from the catastrophe of nuclear annihilation. The affluent Western societies, lost in their pursuit of happiness, are becoming increasingly conscious of the perils of needless confrontation, while the communist countries have ceased to be the kind of monoliths that they were as their people get more and more restive over continued regimentation.

**Man of the year:** The most significant development of 1986 has been the emergence of the new Soviet leader, Mr. Mikhail Gorbachev, as the man of the year who has managed to eclipse the U. S. President, Mr. Ronald Reagan, in waging the psychological war for peace with a series of imaginative initiatives that have

made a profound impact on world opinion. The aging U. S. President has been cast in the process in the role of a change-resistant leader of the so-called free world, who is completely out of tune with the dynamics of the pre-21st century spirit.

The new man in the Kremlin, on the other hand, is all set to have a free run of the international arena during 1987, while the old warhorse in the White House will remain increasingly immobilised by the new scandals rattling him. The Third World in particular has been veering round to the view that 1987 is going to be a Gorbachev year much more than 1986, largely because of the rapid erosion of Mr. Reagan's prestige in Washington, transforming him into a sort of lame duck President during the remaining two years of his office.

**Mixed feelings:** The Indian performance during 1986 has aroused mixed feelings within India itself, while the rest of the world has been perplexed by the montage of increasing discontent, violence and cross-purpose that has been sapping the country's confidence in its own future. The sycophants have, no doubt, been making a mock heroic effort to cast Mr. Rajiv Gandhi in a larger than life role as though he is the man of destiny who has the right remedies for all of India's problems, while the carping critics have been conjuring visions of failure to write him off as a freak phenomenon.

It is too early yet to arrive at a balanced judgment of his leadership qualities or administrative abilities, since he has not run even half way through his five-year term. But it is quite understandable that the public adulation which was so evident during his first year in office has started fading in 1986 under pressure of events. As Prime Minister he had to bear the cross for

many things that went wrong, although he was not directly responsible for all the mistakes that had been made in a well-meaning effort to resolve many divisive issues.

**Polite and persuasive:** A good many people who are not ill-disposed towards him feel that the young Prime Minister tends to be rather hasty and impatient, even impulsive and erratic at times, paying little heed to better informed opinion. But they also concede that he is a very polite, pleasant and persuasive individual who is not self-opinionated to the point of shunning even superior advice.

He is not given to flashes of temper like his grandfather or deep-rooted suspicions like his mother, but there is a tough inner core which makes him stick rather stubbornly to his decisions. There is also no place for any misplaced sentimentality in his psyche which makes him discard suddenly an inconvenient adviser who has lost his confidence.

The balance of these qualities has certainly given Mr. Rajiv Gandhi a positive image backed by a strong impression that he is going to be at the helm for a long time, since there is nobody on the Indian political scene who could be deemed even remotely to be an alternative to him in the present circumstances. As all political institutions are designed for average standards of performance, he has already grasped the complexities of wielding power with the necessary sense of reassurance.

He has been able to consolidate his position not because he has a superior political philosophy but largely with the sturdiness of his character as an essentially decent man, who means well whatever his other imperfections. He has been able to win the respect of even his critics who regard the claim that his Government works faster as no more than a gimmick, with

his ease of manner and refusal to score small points.

**Main shortcoming:** The main shortcoming of Mr. Rajiv Gandhi's rule so far has not been his inability to provide magic solutions to problems like Punjab, but his failure in getting together a more promising team to provide better Government. He has not been able to find even one competent person for the post of Foreign Minister who could come up to his expectations. It is the poor calibre of his Cabinet with a few exceptions that has created the impression of faltering performance.

The country's foreign policy pursuits during 1986 have been on predictable lines keeping up continuity with past positions without any marked deviations. But it is the excessive pre-occupation with international affairs that has led to an avoidable negligence of pressing domestic problems on some occasions, creating a totally misleading feeling that foreign policy is being used as a convenient foil to cover up poor performance on the home front.

A country of India's size and complexity with its heavy backlog of problems can be governed only through a humane exercise of power with an unfailing combination of honesty and candour, courage and stamina, trial and error, a readiness to learn from past mistakes without repeating them. One does not have to be an intellectual giant so long as one has the sturdiness of one's honest convictions to fall back upon in critical moments.

And in wielding power one has to be unsentimental, if not vindictive towards one's political opponents or those who have fallen from grace. The best lesson that Mr. Rajiv Gandhi has learnt through the rough and tumble of 1986 is that he has to carry the whole country with him, not merely those who voted for him.

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CSO: 4600/1318

## GANDHI GIVES INTERVIEW TO WEST GERMAN PAPER

New Delhi PATRIOT in English 20 Dec 86 p 7

[Text]

**New York, Dec 19 (PTI)—**The Prime Minister, Mr Rajiv Gandhi has said that China must return the Indian territory occupied by it and has asserted that there could be no compromise on that.

There can be never be a final settlement with China, if that should mean that it will not withdraw from the Indian territory presently occupied by it, he said, adding, "I do not think that we have ever received an answer to date for our demands to return occupied land to us".

In an interview to the 1987 annual issue of *Indo-Asia* a West German journal whose English edition is here. Mr Gandhi was quoted as saying that as far as the Indian territory was concerned, India was not open to any form of compromise.

But this should not interfere with the improvement of Sino-Indian relations in other areas. Mr Gandhi told the magazine which did not say when the interview took place.

The journal also carries an interview with the Pakistani Prime Minister Mr Mohammad Khan Junejo.

Asked if he believed that "the (return of) Dalai Lama could ever (be) the price for a settlement between India and China", Mr Gandhi told the interviewer, the journal's editor-in-Chief, Dr Gisela Bonn, that "the Chinese have never raised such a demand".

Soliciting the Prime Minister's view on Pakistan, the interviewer mentioned lifting of martial law in Pakistan and remarked that "Nobody knows if that was not just a showpiece".

Mr Gandhi told her, "well, this is also what is worrying us. Well, not worrying us, it is none of our business in that sense, but many of the very tough laws have not gone. Many restrictions on political activities remain. They do not facilitate political understanding — this is what is worrying us".

"Do we speak the same language — do we mean the same if we speak of peace, freedom and democracy. You know, we see democracy like it is in India where people can get up and shout and complain. A very alive, active democracy as you can see it in the USA and many European countries. That is the kind of democracy we are talking about", he added.

Answering a question about the delay in transfer of Chandigarh to Punjab, Mr Gandhi said that the Centre would keep its promises to Punjab as well as Haryana under the Punjab accord.

Asked if he had given up the doubts which you once had concerning politics and politicians, "the Prime Minister remarked that "there are politicians and there are politicians", and added, "we are trying to identify and train a group of politicians that will react positively and which will not necessarily possess the traits that have given politicians a negative image in the past."

Mr Junejo, in his interview, was asked by Dr Bann if Pakistan, which has such strong political and military bindings with the US, can really be called non-aligned".

He replied by claiming that Pakistan had no military bases of any country on its soil and that it was not a member of any military alliances. The US had extended economic and military assistance to his country because it was fully cognizant of Islamabad's security concerns.

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CSO: 4600/1323

## ANALYST REPORTS SOLARZ TALKS WITH INDIAN LEADERS

Madras THE HINDU in English 16 Dec 86 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, Dec. 15.

The Chairman of the U.S. House of Representatives Sub-Committee for Asian and Pacific Affairs, Mr. Stephen Solarz, who is a frequent visitor to the sub-continent today, met the Prime Minister, Mr. Rajiv Gandhi, the External Affairs Minister, Mr. N. D. Tewari, and the Foreign Secretary, Mr. A. P. Venkateswaran, for a candid exchange of views on Indo-American and Indo-Pakistani relations.

As a leading Congressman who has taken a consistently sympathetic view of India's concerns and aspirations, he is regarded in Delhi as a progressive U.S. politician who is destined to play a more important role in future.

Though his influence in Congressional circles is limited, he has already established himself as a young and articulate Democrat who will be able to play a more important role in the new Congress after the Republicans lost their majority in the Senate.

As such, Mr. Solarz was briefed adequately by the U. S. State and Defence Departments before he left Washington, so that he could talk to the Indian and Pakistani leaders with full knowledge of the current thinking of the Reagan Administration on subjects like Afghanistan, the Punjab crisis, the AWACS issue, Pakistan's nuclear capabilities and Sri Lanka's ethnic problem.

After a day's stay in Bombay he arrived in Delhi to meet the Prime Minister before going to Madras tomorrow on his way to Colombo. He will be returning to Delhi for further talks and then go to Pakistan.

During his talks with the Indian leaders in Delhi today, Mr. Solarz tried out several alternative propositions to ascertain India's reactions

to all these issues. He posed several questions to gauge India's responses to ideas like an Indo-Pakistani agreement not to go in for nuclear weapons, the possibilities of AWACS being supplied to Pakistan under strict American supervision for the limited purpose of monitoring the Afghan and Soviet air movements and even offering India a similar system to allay misgivings that Pakistan might use this early warning and command structure against it.

Though he was not in position to speak for the U. S. Government, he was evidently sounding the Indian leaders on some of these ideas on the basis of the official briefings he received in. It was quite evident that he had not come to sell the Reagan Administration's policies but was only making an honest effort to find out whether there could be a mutually acceptable basis on which the U. S. could play a role in helping to reduce Indo-American tensions.

It is customary for U. S. Senators and Representatives to pay such visits to various parts of the world during the Congressional recess to assess international reactions to U. S. policies and actions. But a serious minded and painstaking Congressman like Mr. Solarz is able to get a deeper insight into the thinking of India since he tends to look at the country's reflexes not only through American eyes but also from India's point of view to get a more balanced picture.

It is in this context that the Government of India has always paid a lot of attention to this young U. S. Congressman, whose strong point is candour and a readiness to learn from the experiences of other people. And this is his second visit to India this year in his capacity as Chairman of an important Congressional Sub-Committee.



## REPORTAGE ON 33D SESSION OF AITUC

## WFTU Secretary Speaks

New Delhi PATRIOT in English 19 Dec 86 p 6

[Text]

**Baroda, Dec 18** — World Federation of the Trade Unions (WFTU) secretary V Mozhayev has extended full support to the united efforts of all trade union centres in India to fight together for national unity and territorial integrity.

In his address to the delegates attending the 33rd session of the AITUC, the WFTU secretary "applauded with great pleasure" the efforts made by the AITUC and its units in Punjab and Assam and their determination to preserve working class unity and promote national integration.

Mr Mozhayev said that the progressive forces the world over strongly denounce the fact that imperialism was trying, with the help of anti-national elements, to destabilise the political situation in India, to divide the country according to religious, racial, ethnic and other grounds, and to weaken the efforts of the trade unions and other democratic forces.

The secretary said "as the 11th World Trade Union Congress had demonstrated" and the current discussion at the session clearly pointed out, the present situation demanded stronger trade union unity to build trade union front to resist and defeat the attacks on jobs, wages, working conditions and trade union rights.

Mr Mozhayev welcomed the 10-point Delhi Declaration is-

sued by Prime Minister Rajiv Gandhi and CPSU General Secretary Mikhail Gorbachev and noted that the important progress made in India in promoting united actions on the broad issues of peace and disarmament, national integration and the fight against the divisive forces and to mobilise support to the anti-apartheid struggle was followed with great interest in the world trade union movement. "It is of great significance that affiliates of the WFTU and the ICFTU in India consult and cooperate with each other in mobilising united actions on the issues", he added.

The WFTU secretary called for putting an end to the policies and practices of the transnational corporations and those governments acting on behalf of them to plunder the national resources of the developing countries. It was necessary to put an immediate end to the unequal and unfair inter-state economic relations, he stressed.

The WFTU secretary said that the struggle for trade union rights had achieved greater importance in the new context in this period when "we confront policies of social revenge, which are based on the attempts of world monopoly capital to wage a counter-offensive to reverse the gains of the workers won through

years of stubborn struggles".

He fully supported the demands raised by the trade unions of India for firm action against the transnational Union Carbide for adequate compensations to the victims of Bhopal tragedy and for adequate measures to prevent such tragedies in future.

Secretary of All Union Central Council of the Trade Unions of the USSR (AUCCTU) Victor Mishin, in his address to the session, said that the Soviet trade unions would do their utmost for strengthening cooperation with the trade unions of India, come out for rallying all detachments of the international trade union movement on a class anti-imperialist basis in the interest of peace, democracy and social progress.

Mr Mishin said that the current phase in the activity of the Soviet trade unions was a period of substantial restructuring of many forms and methods of their work and it was possible to say for sure that it would result in the consolidation of the role of Soviet TUs in society, expansion of their rights and possibilities.

He said that the chief aim for the forthcoming period was acceleration of socio-economic developments for the sake of satisfying more fully demands of workers, further increasing the standard and quality of life of the Soviet people.

## Summary of Resolutions

New Delhi PATRIOT in English 20 Dec 86 p 5

[Text]

**Baroda, Dec 19** — The 33rd session of the AITUC has given a call for collecting funds for expressing practical solidarity and material assistance to the freedom fighters in South Africa and has asked all its affiliates and friendly unions and federations to organise collections from the mass of workers.

In a resolution "in support to the struggle of the people of South Africa" the session has firmly endorsed the recent declaration adopted by the 10 Central Trade Union organisations in the country raising the united voice of the Indian working class in support of the struggle of the people of South Africa and Namibia.

The session has hailed the call of the Harare non-aligned summit for imposing comprehensive economic and other sanctions against the apartheid regime which has persistently violated resolutions and decisions to end apartheid and for putting an end to the occupation of Namibia with the backing of imperialist powers like the USA, Britain, France and Federal Republic of Germany in particular.

These imperialist countries and their TNC's have extensive financial and trade interests in South Africa and earn huge super-profits out of the racist policy and discrimination practised against South African workers and people in terms of wages, other conditions of service, rights and benefits, the resolution added.

The session joined with the worldwide demand for the release of Nelson Mandela imprisoned for more than two decades, a symbol of the South African peoples' struggle against racism and for freedom and for the release of all others imprisoned by the racist regime.

The resolution expressed solidarity with the heroic struggles of the South African miners and other industry workers which have of late forced employers to concede to many of their demands.

In another resolution, the session has hailed the recent visit of Mr

Gorbachev to our country. The joint declaration he signed along with Prime Minister Rajiv Gandhi and various other agreements reached were deemed as of great significance for our country's economic development for our security, for strengthening our independence, and peace in our region and the world, and for enabling us to build a self-reliant economy.

The resolution says, "The determination of our two countries to fight for peace in the Indian Ocean and for contributing joint efforts for peace in the Pacific, is a blow to imperialist manoeuvres in this area who are creating hurdles in holding the Indian Ocean conference for the last decade or so".

The declaration inspires confidence that we can preserve peace in our region and fight forces that are out to destabilise our economy and our political life in order to promote the global aims of US imperialism.

The resolution emphasises, and adds, "the declaration makes it possible to unite all the peace loving, patriotic and secular forces and stem against imperialist aims".

The resolution says that the various agreements reached if fully and speedily implemented by our Government, will help our country to develop its power potential and above all strengthen and expand our foreign trade with the USSR and enable us to resist the inroads of transnational and neo-colonial aims of imperialists.

"The AITUC calls upon the entire trade union movement to take this great opportunity and strengthen our movement for peace and security, for self-reliant and balanced development of our economy against the imperialist and transnational conspiracies against our country" the resolution adds.

The session also passed a resolution condemning criminal acts of aggression of the Reagan administration against Nicaragua and expressed full support to and solidarity with the people and Government of that country who were heroically fighting against such blatant aggression.

## PRESS REPORTS JANATA MEETING, OTHER ACTIVITIES

13 Dec Executive Meeting

Bombay THE TIMES OF INDIA in English 14 Dec 86 p 9

[Text]

NEW DELHI, Dec. 13 (PTI):

**T**HE Janata Party today accused China of "clearly" interfering in India's internal affairs by commenting on statehood for Arunachal Pradesh, and criticised the Prime Minister, Mr. Rajiv Gandhi, for his "irresponsible" statements on the border dispute.

The national executive of the party, which began its two-day session under the presidency of Mr. Chandra Shekhar, said the Chinese government had utilised the statement of Mr. Gandhi to justify its claims of the Indian territory which had witnessed armed hostilities two decades ago.

On August 11, 1986, Mr. Gandhi had reportedly stated that the McMahon line was not a clear cut frontier between China and India. denouncing this statement, the party emphatically said that the border between India and China was not a thick line drawn on a small scale map but a "clearly demarcated international frontier which was transgressed by the Chinese."

The Prime Minister was "unaware" of the history of the border dispute between India and China and the unanimous resolution adopted by Parliament that the country would not rest till it had reclaimed every inch of its territory occupied by the Chinese in 1962, the party said.

It called upon all members of Parliament, irrespective of party affiliation, to collectively repudiate the Prime Minister's Statement and restate in Parliament the nation's resolve to protect and "assert" its frontiers.

Briefing newsmen on the deliberations of the meeting, the general secretary of the party, Mr. Yashwant Sinha, said Mr. Chandra Shekhar had in his introductory remarks reviewed the economic and political situation in the country.

Mr. Chandra Shekhar said the law and order situation in the country had deteriorated. Insurgency was on the rise and terrorism was no longer a special feature of Punjab. It was now disturbing various other parts of the country like Tripura, Assam, Tamil Nadu and Bihar, he said.

The party president felt that the worsening situation could be directly ascribed to the "total indifference" of the Central government to the problems of the people.

He expressed concern over the rising trend of communal violence which had earlier been confined to U.P., Bihar, Gujarat and Madras and was now spreading to other states like Karnataka.

Both Mr. Chandra Shekhar and the Karnataka chief minister, Mr. Ramakrishna Hegde, were extremely critical of the role of the Congress in

fanning communal flames in the country particularly in Karnataka.

Mr Chandra Shekhar deprecated the manner in which the Gorkhaland issue was handled by the Prime Minister.

Reviewing the recent by elections, he said his party had reasons to be happy as it had done extremely well in Orissa and Karnataka. He however, expressed grave concern over the "rigging" in the Banka parliamentary constituency.

Mr. Chandra Shekhar said the merger of Mr. Sharad Pawar's faction of the Congress (S) with the Congress should be "treated with the contempt it deserves".

Touching on the economic scene, Mr. Chandra Shekhar expressed alarm at the continuing trade gap, closing down of a large number of industries due to the import of technology and the use of "coercive" powers against workers and farmers.

He criticised the government for "mishandling" the agitation launched by the Shetkari Sanghatana by arresting Mr. Sharad Joshi, and demanded his immediate release.

The Janata Party president felt that despite the publicity attached to the visit of the Soviet leader, Mr. Mikhail Gorbachov, not much had been achieved in improving bilateral relations.

He said India's relations with the two superpowers was in a "confused state".

## Chandra Sekhar Meets Press

Madras THE HINDU in English 15 Dec 86 p 9

[Text]

NEW DELHI, Dec. 14

The Janata Party is in favour of cooperation with the party floated by the former Finance Minister, Mr. Pranab Mukherjee and the type of cooperation and other details will be decided by the party's parliamentary board here tomorrow.

This was stated by the party president, Mr. Chandra Sekhar, in reply to questions from newsmen at the conclusion of the two-day meeting of the national executive of the party today. He said he had already had discussions with Mr. Mukherjee in this regard.

**Ready for Opposition unity:** Asked about Opposition unity as such, Mr. Chandra Sekhar said that in the forthcoming elections to the State Legislature in certain States, the Janata Party would like the Opposition parties to put up united fight. He said in reply to a question that he did not propose to take the initiative for reviving the conclave of Opposition leaders. However, if on specific issues some Opposition leaders wanted to meet and discuss, he would welcome it.

About the Punjab situation, Mr. Chandra Sekhar charged the Prime Minister with dereliction of duty and failure to provide a sense of security to the people. He ridiculed the Centre's plea that it (the law and order problem) was the responsibility of the State Government and that the Centre could not interfere with State politics. The reality was that the State Government was a stooge of the Central Government, he added.

**To vote against Barnala:** Mr. Chandra Sekhar also assailed the Punjab Chief Minister, Mr. S. S. Barnala, who, he said, had proved to be incompetent and had failed miserably in the discharge of his responsibilities. "Mr. Barnala has no moral authority to continue in office and I will support anyone who is ready to oust Mr. Barnala," he said, when asked whether he would support Mr. Bedal and Mr. Tohra. (PTI reports that the Janata Party would support the no-confidence motion against the Barnala Government to be taken up in the State Assembly tomorrow).

Asked about the agitation in the form of burning of copies of the Constitution launched by the DMK in Tamil Nadu, Mr. Chandra Sekhar said he was against any "romantic politics" which, in his view, did not solve any problem.

**PM blamed:** The national executive, in its resolution on the political situation, also criticised Centre's handling of the Punjab problem. "The responsibility of the failure to find a political solution of the Punjab problem falls squarely on the shoulders of the Prime Minister," it observed. It reiterated its earlier stand in favour of a two-pronged strategy of flexibility, in settling the legitimate demands of Punjab and firmness in meeting the menace of terrorism. If problems like those in Punjab and Assam remained unsolved that was the surest way to divert people's attention from the pressing problems of poverty, hunger and unemployment and protect those responsible for these ills from the wrath of the discontented masses, it said.

The resolution accused the Centre of using its levers of power to obliterate the federal polity to the advantage of the ruling party. The installation of National Conference-Congress (I) coalition in Jammu and Kashmir was cited as an evidence of this. Instead of directing the NC to test its majority at the poll, the coalition was forced upon the people of the State which constituted a fraud on the Constitution, the resolution stated.

It noted with happiness that the Janata Party was emerging as the focus of consolidation of Opposition forces committed to socialism, secularism and democracy.

The resolution on economic policy said that events in the last eight months had fully vindicated the party's criticism of the policies being pursued by the Government. The party would mobilise the people through mass campaigns for implementation of policies that would ensure remunerative prices for the farm produce, drinking water for villages, employment guarantee in rural and urban sectors, equal wages for equal work by women and rational wage structure for organised and unorganised labour.

### Front with Mukherjee Party

Calcutta THE STATESMAN in English 16 Dec 86 p 1

[Text] New Delhi, Dec 15--Mr Chandra Shekhar, president of the Janata Party, and Mr Pranab Mukherjee, leader of the All India Congress (I) Workers' Convention, today decided to form "a broad-based nationalist, progressive and pro-people front, as an alternative in West Bengal to both the ruling Left Front and the discredited Congress (I) in order to contest the ensuing West Bengal Assembly elections and to provide a better Government to the people."

The decision to set up the front followed an overnight discussion in which Mr Chandra Shekhar, Mr Ramakrishna Hegde, Mr Biju Patnaik, Mr Samar Guha and other Janata leaders and Mr Pranab Mukherjee and his followers were present.

At the moment, the joint front is intended only for West Bengal and it remains to be seen whether this will be extended to other States.

In a joint statement signed by Mr Chandra Shekhar and Mr Mukherjee, the two leaders said they had reviewed the prevailing political situation in West Bengal and felt that a political vacuum had arisen there as a result of the disenchantment of the people with the ruling Left Front Government and the failure of the Congress (I) to provide a viable alternative.

They felt that there was a need for a "broad-based, nationalist, progressive and pro-people front as an alternative to both the ruling Left Front and the discredited Congress (I)."

The details of the common programme of the front and other connected matters will be jointly worked out by the respective State units of the parties concerned.

The two leaders appealed to all "nationalist, democratic, Socialist and secular forces" in the State to join the front as partners in the task of building a "new Bengal."

/9317

CSO: 4600/1319



## INDIA

### BRIEFS

NAVAL PORT DEFENSE--INS Udayagiri, Bay of Bengal, Dec 19 (UNI)--The Indian Navy will set up its naval port defence headquarters at Paradip, Vice-Admiral S.C.Chopra, chief of Eastern Naval Command said. Speaking to newsmen here yesterday on the eve of naval week celebrations, Vice Admiral Chopra said the Navy would soon acquire 20 acres of land provided by the port trust for the purpose. He said he had already discussed the matter with the port officials and the Orissa Government and accordingly the scheme had been prepared. The naval port defence headquarters would defend the Chandipur and Gopalpur port and would also protect all the steel plants and the phosphate plant at Paradip, he said. Vice-Admiral Chopra said all the existing naval port defence headquarters at major ports of the country would soon revise their schemes to make them "permanent Indian integrated complex." He said at present the eastern region had at least 50 operational units and more submarines and ships would be added to it. India would soon be acquiring the second aircraft carrier INS Birat which, he said, would be commissioned by the end of May 1987. Vice-Admiral Chopra said the basic intention of the Navy mela was to popularise the Navy in Orissa. He said a three-day celebration from today would present firework and a helicopter display. [Text] [New Delhi PATRIOT in English 20 Dec 86 p 5] /9317

CSO: 4600/1322

## U.S. ARMS SALES CONTROVERSY, RAFSANJANI'S ROLE DISCUSSED

### More Weapons Deals Alleged

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 13 Dec 86  
pp 10-11

#### [Text]

Several serving and former ministers in West Europe and the US have been involved in brokering weapons shipments to Iran for personal profit, according to allegations by Iranian officials. The ministers include Italy's Defence Minister Giovanni Spadolini, the officials allege.

In Rome, a spokesman for Spadolini said he could not comment "on such a matter." He reaffirmed "the position already expressed by the (Italian) government that there has been an embargo on weapons shipments since June 1984."

Iran intends officially to accuse Spadolini and, possibly, the others, in the next few days. Officials now claim that Spadolini arranged for a \$25 million-27 million shipment of 980 TOW anti-tank missiles and US aircraft spares in March 1986. The weapons were allegedly flown in a Boeing 707 aircraft from an airport near Rome, through Soviet airspace, to Shiraz airport, in south Iran.

The officials also allege that a former US secretary of state and UK officials were involved in a similar role as intermediaries for black-market weapons. Their names may be revealed when Spadolini is accused, or at a later date.

Iran was recently angered by an Italian state television programme satirising Imam Khomeini; it withdrew its ambassador and expelled three Italian diplomats. Nevertheless, the desire to hit back at the Italian government does not explain why Iran would wish to reveal a presumably secure channel of much-needed weapons. One Iranian who has close connections with officials said the aim was to disprove allegations that Iran is

dependent on Israel as a source of weapons. "When we can get Italy's defence minister to act as middleman, why should we have to go to Israel," he said.

Tehran has been embarrassed by the recent revelation that Israel was involved in channelling weapons to Iran to help US efforts to free its hostages in Lebanon. Iranian officials insist that they were not aware of Israel's role and were simply dealing with international intermediaries.

However, the issue is highly sensitive for Iran's leaders, who consider Israel an "illegitimate entity" and the ultimate target of the Islamic revolution. The suspicion of any ties with Israel would cripple Iran's credibility with radicals at home and sympathetic Islamic groups abroad.

Israel is known to have made one shipment of F-4 aircraft tyres in October 1980, soon after the start of the Gulf war. The aim was said to be to prevent an Iraqi victory and to establish contacts with pro-western officers in the military. However, the Iranians argue that once Iraqi troops became bogged down, and it became clear Baghdad could not win, the Israelis would no longer have had a motive to strengthen Iran. This would be particularly true after the emergence of pro-Iranian Islamic forces in Lebanon and elsewhere, and the seizing by Iran of the military initiative in the Gulf war. If Israel feared a victorious Iraq in 1980, it would now be even more fearful of a victorious Iran, Iranian officials maintain.

The recent Israeli role in weapons shipments is dismissed as "a matter between Israel and the US" - with the former allegedly trying to court favour with

Washington. One official drew attention to press reports in Washington that the only proven Israeli shipment in late 1985 involved defective or outdated spares for the Hawk anti-aircraft missile system. These were apparently sent back by Iran to the intermediaries, and the US thereafter took direct charge of the operation.

Iranian officials have long been claiming that Israel is conducting a campaign of psychological warfare against the Islamic republic. Aware of the damage the alleged Israeli connection is doing to Iran, officials in Tel Aviv have periodically drawn the

media's attention to supposed Israeli weapons supplies to Tehran. The officials are usually not identified, but on one occasion included former defence minister Ariel Sharon.

Since the beginning of the Gulf war, Israeli officials have, on different occasions, both denied and confirmed reports of weapons shipments to Iran. The issue has been further complicated by the involvement of weapons merchants who are citizens of Israel, and of exiled Iranian intermediaries who have connections in Israel.

### Speaker Gives 'Go-Ahead'

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 13 Dec 86 pp 14-15

**[Text]** Majlis Speaker Hashemi Rafsanjani has given the official go-ahead for indirect contacts with Washington. Any such discussions would have to centre on the delivery of Iranian-owned weapons stored in the US — in return, Iran would exercise its influence in Lebanon to free US hostages.

In his most explicit statement yet, Rafsanjani said: "We have nothing against talking to them (the US) through the same arms dealers with whom we talked, through the same weapons purchase channels." He added: "We are ready to intercede (over the hostage issue), to the extent that the Americans give us back our assets." However, he emphasised that the contacts should be pursued at a low level, through the weapons dealers. Senior-level negotiations with the US were "incompatible with the slogans and aspirations that we have insisted upon."

Rafsanjani's offer indicates that revelations and rumours about the 28 May visit to Tehran of former US national security adviser Robert C. McFarlane have

failed to damage him — or others involved with the affair — in political terms. The speaker denies that the McFarlane visit was prearranged, alleging that Washington tried unilaterally to raise the stakes after months of dealings through Iranian weapons dealers in Europe.

Rafsanjani said Iran knew one weapons shipment, valued at \$30 million, had been made with US government approval — although it came through dealers with whom Tehran had done business for six years. He denied any knowledge of weapons originating in, or coming through, Israel — or that any of the profits were being diverted to fighting the Nicaraguan government, with which Iran has very friendly relations. The government scrutinised the prices charged by the dealers, and could not imagine how there could be big enough profits to divert to the Nicaraguan rebels, he said.

In Washington, the crisis over the secret contacts with Iran and the weapons deliveries continues. Several former aides to President Reagan have refused to testify before a congressional committee, and the affair seems sure to drag on for weeks.

/13046

CSO: 4600/129

# WAR TAKES PRIORITY IN NEW BUDGET

Tehran KAYHAN AL-'ARABI in Arabic 3 Jan 87 p 5

[Article: "Musavi Presents Next Year's Budget To the Islamic Consultative Council"]

[Text] The prime minister has announced that this year the Islamic government allocated most of its hard currency budget to the war.

Speaking to the Islamic Consultative Council [majles] after having presented Iran's budget for the coming year (1987), Mir Husayn Musavi added that about 1,000 projects for meeting military needs are being carried out right now.

The prime minister said that 1986 was a year of economic pressure against Iran and a year of heroic resistance by our people.

Musavi added, "One of the goals of the oil price reduction plot hatched by Western industrial countries, chiefly criminal America, and carried out by black reaction in the region, is to pave the way to imposing a settlement on us and putting an end to Islamic revolutionary Iran."

He went on to say, "The perpetrators of this plot have fallen into the well they dug with their own hands, while the government, in spite of all the problems, still presented the new budget to the majles on the appointed date."

The prime minister referred to the financial difficulties besetting those states siding with the mad rulers of Iraq in spite of their hard currency revenues, their small populations, and their non-involvement in the war's problems, and pointed out that these states do not think of their people's interests but only work to ensure America's interests.

Musavi questioned what these states, which have given a hundred billion dollars to America and Europe, have gained, and pointed out that these governments are doing just what the Shah did before them, and his fate was downfall and flight.

The prime minister said that the plot to lower oil prices, even though it has affected our country's economy and the government's budget, has nevertheless not brought about any change in the government's goals and policies.

He stressed that this year the government has done more for the war than in previous years, and has placed all its executive capacities at the service of the fronts.

He added, "Even though this year the country received the smallest amount of foreign currency in 12 years, it gave more of that foreign currency towards continuing the holy defense than in previous years."

Musavi asserted, "In spite of America's assistance to Iraq in its strikes against residential areas and economic installations in order to bring us to our knees, and in spite of the losses we have sustained, our people are bearing up under these problems and pressures, while the enemy has not achieved any of its goals."

He said, "The country's administration, which is in capable hands, has made Islamic Iran the greatest economic power in the region.

"Even though the enemy has destroyed all Iran's oil pumping stations, the world can see that today Iran's production and export of oil has not dropped, but has become greater than it was before."

The prime minister explained the government measures to counter the drop in oil revenues, which have fallen to one-third what they were, and said that the government has organized the country's economic activities on the basis of US\$10.00 per barrel of oil.

He added that the drop in oil revenues could possibly affect Iran, especially since it depends primarily on oil revenues and is undergoing war-time conditions. However, the government agencies have faced up to this emergency situation and have begun drawing up new economic programs for the country, with clear-cut results.

He went on to say, "Last year's budget was an ascetic one. The government reduced expenditures as much as possible and economized on expenditures allocated by the majles. Thus, in spite of the problems resulting from the floods and the repeated attacks on economic installations, not to mention unemployment and stagnation in construction activities and the production of consumer goods, 620 billion Iranian riyals were saved and put towards the government's new economic programs."

The prime minister said that right now about 1,000 projects addressing military needs are being carried out. About 1,500 kilometers of roads have been built, and another 2,100 kilometers of roads paved. Several thousand field hospitals, guard posts, bases, sites, bridges, positions and fortifications have been built. Scores of industrial projects have been carried out. Modern technical methods are being put to use in the lakes, and various types of floating marine units, weapons and equipment have been manufactured.



He said, "Several thousand members of the construction brigade and 20,000 government employees are working continually in various areas of operations."

He added, "Major successes have been achieved in the war industries, details of which we will present some day."

He said that locally-made weapons cost much less, about 20 percent less, than comparable foreign-made imported weapons.

He emphasized that about \$1 billion have been saved through savings achieved by directing expenditures to domestic military industries.

The prime minister declared that Iran is capable of standing up to the madness of international arrogance in the Persian Gulf. He stressed Iran's ongoing desire for security and stability in the Persian Gulf, and said that Iran will forcefully repel any hostile plot or undertaking in this region, even if this threatens the security of some of the Persian Gulf states.

He added that security must be for all countries or else for none. He indicated that those who are not yet fully aware of Iran's ability to achieve this policy should look at what the Iranian seamen did at al-'Amiyah.

Musavi voiced his pride in the army of 20 million, emphasizing that this army can perform miracles.

Referring to the great economic, agricultural, political and military achievements of the government of the Islamic republic, Musavi said that agricultural production is expected to continually increase at the rate of 2.6 percent, and that much is being done right now to improve seeds, extend irrigation networks, conserve rivers, and support farmers by providing them various facilities.

Musavi emphasized that wheat cultivation increased by 500,000 tons, and rice production by 9 percent, over last year's figures. Red beet production is expected to be 800,000 tons more than last year, and potato production 200,000 tons more. He said, "Barley cultivation has also increased, and thus we have been able to reduce our barley imports by 500,000 tons. Agricultural bank loans to farmers increased by 20.7 percent during the first 8 months of this year."

He added that during the above-mentioned period, agricultural exports increased by 26 percent as compared to the same period last year.

The prime minister said that 534.2 billion riyals were spent on construction projects, even though the country's hard currency allocations dropped.

Referring to unemployment, he said that the government's sound programs saved about 4 million workers from unemployment.

Musavi added that the projects of the post-revolutionary 10-year plan, other major government projects, and social and educational investment projects are continuing as usual, in spite of the government's frugality in spending its hard currency revenues.

He said, "When Iran's hard currency revenue problems reached their peak, some outsiders suggested making loans to Iran. However, we vow that our country is not like those weak regimes subject to economic collapse. Iran will never deliver its economy into the hands of foreigners."

The prime minister declared his pride in the absence of any foreign loans to the Islamic republic, referring to Iraq's \$60 billion in loans, Brazil's \$104 billion, and Mexico's \$97 billion, not to mention the \$1 trillion in loans to other developing countries.

He added that the country's non-petroleum exports increased 62 percent during the first 8 months of the current Iranian year, as compared to last year.

Regarding foreign policy, Musavi said that the trend in Iranian-French relations following France's declaration of readiness to repay its debts to the Islamic republic is a good indication that the Iranian revolution is strong and its rights cannot be frittered away.

He emphasized that Islamic Iran calls for good, friendly economic and cultural relations with neighboring countries, provided that there are no political obstacles to that. The Islamic republic will protect the security of the Persian Gulf, provided that everyone can enjoy this security.

Musavi called on all the region's countries to work together to prevent intervention by the superpowers, and stressed that Islamic Iran will threaten the interests of anyone who threatens Iranian interests in the Persian Gulf.

As for the Afghanistan issue, the prime minister said that Iran calls for the establishment of a non-aligned, anti-American regime founded on the views of the Muslim Afghani people in Afghanistan.

He stressed that improvement of Iran's relations with European countries depends on the degree of change in these countries' stands towards the Islamic revolution and the Islamic Republic of Iran.

He added that Iranian relations with Eastern bloc countries have not improved because of the nature of Soviet stands and actions.

Referring to the last OPEC conference, the prime minister said that the Islamic Republic of Iran's constructive role in overcoming the oil price reduction plot had a major impact on the wording of the organization's last resolution, which thwarted the plots of the industrial countries of Europe.

As for the country's domestic policy, Musavi said that the country's security agencies have uncovered and aborted several major plots this year.

In another part of his speech, the prime minister stressed that the government's economic structure basically favors the country's weaker classes.

As for the imposed war, Musavi said, "Even if this war lasts 20 years, Islamic Iran, including the government, will stand up to it forcefully and capably, and will direct all its resources toward the final victory."

He added that the country's budget for the coming Iranian year, in addition to meeting the country's usual year-to-year needs, will rebuild the destruction brought about by the recent floods which hit many parts of the country.

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CSO: 4604/14

## EYEWITNESS ACCOUNT OF CONDITIONS PREVAILING IN COUNTRY

## Economic Picture 'Bleak'

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 13 Dec 86 pp 4-6

[Article by Vahe Petrossian]

[Text] IN the seventh year of the war with Iraq, the Iranian government has battered down the economic hatches, in preparation for an escalation in the fighting. "We are going through a momentous period in our history," says a senior financial official in Tehran. Outside his window, Bassij (mobilisation) volunteers can be heard chanting "war, war until victory" as they march through the streets before heading for the front.

The political decision to try to deal Baghdad a decisive blow by spring 1987 has produced serious financial and economic consequences, aggravated by Iraqi air attacks on industrial targets. Support for the conflict has not waned, but grumbling among government opponents is increasing and widespread. The population is divided into two culturally hostile communities: one dedicated to Islam and willing to put up with all sorts of problems, the other seeing in each new hardship evidence of the republic's imminent collapse.

The country is certainly going through a difficult period. Tehran and other cities are plagued by power blackouts lasting four to six hours a day. The Iraqi air force has mounted a concerted attack on power stations, most recently the Neka plant on the Caspian Sea (see Iran). War damage accounts for some of the electricity shortages, but demand has long outstripped supply in the crowded cities and thousands of villages newly linked to the national grid.

Petrol rationing was reimposed in the autumn, following Iraqi attacks on a string of refineries in Isfahan, Tabriz, Shiraz and Bakhtaran. The 200,000-barrel-a-day (b/d) Tehran refinery is the only one working at

full capacity. The 15,000-b/d Bakhtaran refinery is out of action and the 85,000-b/d Tabriz refinery may also not be operating; the 40,000-b/d Shiraz and 220,000-b/d Isfahan refineries are believed to have sustained some damage. Some reports say refining capacity has fallen in recent months to only 400,000-500,000 b/d — at least 200,000 b/d below demand.

**Black market**

However, judging from the heavy traffic and overpowering fumes in central Tehran, there seems to be no shortage of petrol. This is because it can be obtained on the black market for five times the official price. The same is true of food and other goods.

Almost any kind of food is available — at a price. Red meat and some dairy products are difficult to find, and there are sporadic shortages of rice. The government has increased official prices of imported items and there is a shift in consumption patterns. For example, people are now buying more poultry — of which there are ample local supplies — and eating more bread.

High prices are a constant worry, particularly for civil servants, whose salaries have not risen since the revolution in 1979. Somehow, people seem to find money for the basic necessities, but inflation is the most popular topic of conversation. It now varies between 10-50 per cent, depending on lifestyle. Those who rely most on the official coupon rationing system and are most willing to spend time queuing suffer least; the rich, who prefer the black market, pay ever more exorbitant sums.

A halving in imports since early 1986 has resulted in extensive disruption to industry.

Many factories have had to lay off workers or shut down completely, because of shortages of imported raw materials. At the same time, many large state-owned concerns, and thousands of small workshops, including some university facilities, have converted production lines to manufacturing military equipment.

### **Bleak picture**

High unemployment and inflation, combined with reduced economic activity, combine to paint a bleak picture. New policies introduced by Bank Markazi (central bank) may soon produce an even unhealthier combination of inflation and stagnation, according to one senior official (see box). But, overall, economic prospects are far from desperate.

The government has drawn down its foreign exchange reserves by as much as 10-20 per cent since January. Reserves, including gold, are now thought to total roughly \$6,000 million — against the preferred level of \$8,000 million or so needed to ensure vital imports for 12 months should oil revenues stop completely. In view of the new higher spending policy, the government may make further withdrawals if oil revenues do not improve beyond their projected annual level of \$6,000 million-8,000 million.

The \$6,000 million in reserves consists only of assets that can be liquidated within six months. In addition, there are several thousand million dollars worth of frozen funds in the US and West Europe, as well as large sums owed by Syria (\$1,000 million), Egypt (\$300 million), Israel (\$600 million), North Korea (\$170 million) and Africa. France recently repaid \$330 million of a \$1,000 million loan contracted 12 years ago; the US is to hand over about \$500 million in frozen funds.

Oil exports and revenues — although down on 1985 levels — are relatively satisfactory. A senior official with regular access to secret figures says exports averaged 1.3 million b/d in the first three months of the Iranian year started 21 March and 1.4 million b/d in the first six months. The government projects a daily average over the full year of 1.4 million b/d — about 200,000 b/d below the OPEC quota.

Most western estimates put the figures much lower. However, one westerner who recently travelled through the southern oil region says Iranian technicians are "performing miracles" in repairing damaged facilities. Iraqi aircraft have this year been effective in their attacks, particularly on mainland targets such as pumping stations and distribution centres. One missile

scored a direct hit on the Ganaveh manifold feeding the Kharg island terminal. Nevertheless, the Iranians are constantly repairing and improvising.

### **Non-oil sales rise**

Non-oil exports, by contrast, have taken off spectacularly. They could reach \$1,000 million this year — double the previous peak.

A combination of government incentives and subsidies has prompted local importers to move into exports in a big way. The largest increases have been in carpets and agricultural produce. Carpet dealers, including several dozen from abroad, are scouring the country for any handwoven carpets they can find; particularly sought-after are the products of Azarbaijani weaving shops. Persian melons, pomegranates and other farm produce are now being supplied to shops as far away as London.

Financial problems have not prevented the government from continuing development schemes — and even embarking on new ones. In November, work resumed after eight years on the Tehran underground with hundreds of workers in brand-new yellow uniforms digging entry tunnels near the Karaj freeway in the west, in Tehran Pars in the east and in Abbasabad in the north. Simultaneously, work began on the 40-kilometre rapid transit railway between Karaj and Tehran. Both schemes seem to have been given high priority.

Much economic activity is also taking place behind the scenes in defence-related industries. Factories, some of them top-secret, are said to be working round the clock and contributing an increasing share of the domestic product.

The economic and financial difficulties, combined with fear of the war, have prompted thousands of Iranians to seek refuge abroad. But, surprisingly, an increasing number of exiles are now returning from Europe and the US. Some have run out of money or think they can earn more in Iran; others are coming back for more idealistic reasons.

As for the war effort, there is no apparent shortage of volunteers. The latest call-up for 100,000 produced an excess of would-be combatants, who had to be rejected. There is little doubt that despite widespread economic and political dissatisfaction, the authorities can count on a solid core of popular support.

These reserves of goodwill will be severely tested in the months ahead, as the fighting escalates and economic difficulties mount. If support is not to dry up, the authorities will have to keep their promise and produce concrete results at the war-front by spring.



## Markazi Relaxes Spending Grip

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 13 Dec 86 pp 4, 5

[Text]

UNDER its new governor, Majid Qassemi, Bank Markazi (central bank) is downgrading its long-running fight against inflation. It is easing restrictions on government borrowing from the banking system, in what it apparently hopes will be a temporary measure designed to provide the population with more butter, and the war front with more guns.

Qassemi replaced Mohsen Nourbakhsh in November, after months of uncertainty about the latter's future. Nourbakhsh, who had run the central bank since 1981, had been troubled by a heart problem for some time, and underwent open heart surgery in early 1986. As a result, he was sidelined for three months or so, and was believed to want to leave Markazi for a less demanding post. In the late-1985 cabinet reshuffle, he is reported to have turned down an offer of the finance and economy portfolio, which went to Mohammad Javad Irvani. Nourbakhsh now teaches at Tehran university.

Nourbakhsh's health problems coincided with growing differences with Irvani about monetary policy. Nourbakhsh is said to have insisted on keeping to a minimum the bank credits needed to finance the budget — a policy that had lowered the official annual rate of inflation to single figures in 1985.

Nourbakhsh's policy had strong support in the majlis and the prime ministry. But the early-1986 political decision to step up the Gulf war, in the face of collapsing oil revenues, forced the government to reconsider its financial priorities. The authorities are now said to argue that the fight against inflation cannot be allowed to hamper the war effort.

The result, say local observers and Markazi officials, is that Qassemi has already started to relax the central bank's credit

policy. The budget for the forthcoming Iranian fiscal year, now being finalised for presentation to the majlis in late December, may officially concede an extra large deficit to maintain overall spending at as high a level as possible.

Some sources claim currency is already being printed without proper backing. A senior Markazi official denies this, although it is not clear how else higher spending can be financed without recourse to the country's foreign exchange reserves. The banks hold substantial rial deposits, but these would not be sufficient for the task.

Some banks have already started indirectly to finance government spending. Chief among them is Bank Mellat Iran — headed, until November, by Qassemi — which in mid-1986 agreed to take over responsibility for the \$1,500 million Arak petrochemicals complex, to be built in the next few years. The takeover was opposed by Nourbakhsh.

The government is said to view its more relaxed monetary policy — and the higher inflation that will result — as a short-term measure. It calculates higher inflation as the price that must be paid if the war is to be brought to a decisive stage by the end of the Iranian year in March 1987.

The instrument of this policy is 4-year-old Qassemi, who served as managing director and chairman of Bank Mellat Iran for less than one year. He was previously head of Markazi's foreign exchange supervision department, joining the bank in 1981 after finishing his studies at a US university. Little is known about his credentials; under his three predecessors since the 1979 revolution, Markazi has maintained a high reputation with the international financial community.

## Support for Iraqi Opposition

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 13 Dec 86 p 5

[Text]

IRAN is trying to create a grand coalition of all Iraqi opposition parties to help to bring down Iraq's President Saddam Hussain, and to run Iraq after the war has ended. Opposition groups — including non-religious parties, but excluding the Iraqi Communist Party — have been invited to a conference in Tehran in late December to draw up a political programme for Iraq's future.

"The aim is to get all representative Iraqi groups to co-operate, decide on what sort of system they want and clarify Iraq's future," says Kamal Kharrazi, head of the War Information Headquarters. "We have said we do not want to dictate what sort of government Iraq should have — whether it's an Islamic republic or something else — and we want to see what sort of formula they can agree upon."

The 200 delegates invited to the conference include representatives of the Syrian and Libyan governments. The symposium is to set up five committees to discuss the war, internal and international efforts to topple Saddam, human rights, and the kind of political system that would replace the Iraqi Arab Baath Socialist Party if Iran were to win the war. No advance programme has been drawn up, according to Kharrazi, and the issues will become "clarified during the conference itself."

The conference is being taken seriously by Iranian officials, and does not appear to be an effort to simply gain some propaganda points. What gives it its credibility is the inclusion of non-religious groups and the two main Kurdish factions represented by Jalal Talebani and Idris Barzani.

The rival Talebani and Barzani factions ceased their internecine warfare earlier in 1986 to join forces with Iran for deep-penetration guerrilla attacks in Iraqi Kurdistan. In November, the two leaders met in Tehran for unity talks as well as discussions with Hojatoleslam Mohammad Baqer Hakim, head of the Supreme Assembly of the Islamic Revolution of Iraq (SAIRI), and other Iraqi exiles.

Kharrazi will not speculate on the kind of political system that would please Iraq's

Kurds. But he says Tehran will go along with whatever the conference agrees. He emphasises that Iran is not insisting on an "Islamic republic" modelled on Iran — "though that would please us most." The issue could even be settled through a national referendum held in Iraq after the war: "The form of government in Iraq must be what the people of Iraq want."

On the Gulf war itself, Kharrazi says Iranian planners believe a major military effort is needed to create the right conditions for toppling the Baghdad regime. Diplomatic efforts to convince Iraq's supporters in the Gulf and elsewhere to become neutral are continuing, but will not be sufficient in themselves to bring about a victory. "We believe we must both wield a big stick and talk softly," Kharrazi says. "Only when all military, political and international factors are right will we achieve victory."

On Iraq's use of chemical weapons and reports that Iran is manufacturing similar weapons, Kharrazi says Iran has developed all the necessary technology — including a new kind of poison gas. But it is not now producing any because of anticipated difficulties in storing the chemicals in advance of any political decision to use them. "There are also moral considerations," he says, "but if the Iraqis force us to use such weapons, everything is in place to start production."

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## GULF WAR, STATUS OF TWO SIDES, IMPLICATIONS EXAMINED

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 17 Jan 87 pp 6-8

[Article by David Butter—boxed material by authors as indicated]

[Text]

IRAN has once again chosen the winter months to attempt to break through Iraq's defences in the southern sector of the Gulf war front. Since Tehran succeeded in driving Iraqi forces from Iranian soil in 1982, Baghdad has had to weather three concerted offensives. On each occasion — in 1983, 1984 and 1986 — February or March has been the favoured month, and the isolation and eventual capture of Basra has been Iran's strategic goal.

The latest escalation on the front started on 24 December, when Iran briefly occupied three Iraqi islands in the Shatt al-Arab waterway, south of Basra. Iraq succeeded in dislodging the Iranian forces, and a triumphal procession was held in Baghdad. However, on 8 January Iran attacked again in greater strength. The main axis of the assault was the Shalamchah area between Basra and the Iranian river port of Khorramshahr.

Iranian statements about the offensive — named Kerbala 5 — indicated initially that it had limited objectives: to retaliate for Iraqi air raids and missile attacks on Iranian towns, and to establish a bridgehead on Iraqi territory. But Iran will use any success in the initial thrusts to build up the momentum of the offensive into a full-scale push against Basra, military analysts say.

Five days after the push against Shalamchah, Tehran reported that its forces were "stabilising positions" to consolidate the territorial gains achieved. US officials, with access to satellite photographs of the front, have been quoted as saying that the Iranian push has been of limited scope, and there are doubts about Tehran's logistical capability to launch an all-out offensive.

On 14 January, Iran announced it had opened up a new front, northeast of Baghdad. Tehran said the attack, near the border town of Sumar, was a limited operation designed to recapture territory occupied by Iraq. Baghdad claimed the attack had been repulsed. Military analysts say Iran's intentions in opening the new front are either to prevent Iraq sending reinforcements to Basra, or to probe for weaknesses in the Iraqi lines while Baghdad's attention is focused on Basra.

### Strategic gains

However, Iran has been able in the past to achieve important strategic gains without committing vast numbers of troops — most notably in February 1986, when Iranian forces managed to occupy Iraq's Fao peninsula.

The signs are that Iran has captured a section of Iraqi territory east and north of Basra, but cannot yet claim to have scored a victory as significant as the capture of Fao.

Iran's strategy is to inflict sufficient military reverses on Iraq to provoke a political crisis in Baghdad that results in the overthrow of President Saddam Hussain. Until the Fao offensive, Iran had failed to breach Iraq's defences significantly. With the occupation of Fao, Saddam Hussain's position seemed less secure — one more Iranian breakthrough, a full-frontal assault on Basra, and an Iraqi collapse could not be ruled out.

Although Iraq has been unable to dislodge the Iranian occupation force from Fao, Baghdad has had some success in making the prosecution of the war more

costly for Iran. This has been achieved by heavier and more effective use of the Iraqi air force. Iranian civilians are once again in the front line — both combatants are ignoring completely a UN-sponsored agreement to spare civilians.

Iraq's overwhelming aerial superiority has caused severe damage: thousands of Iranian civilians have been killed or wounded. Iran's only effective means of retaliation has been with long-range missile attacks on Baghdad and heavy shelling of Basra.

The past 12 months have also seen a big increase in Iraqi attacks on Iran's oil export facilities. Lloyd's Shipping Intelligence reports that 79 oil tankers were attacked in the Gulf in 1986, compared with 66 between May 1981 and the end of 1985. The majority of the attacks were by Iraq, which has also carried out regular air raids on Iranian oil terminals.

Most of the Iraqi strikes have been directed against Iran's Kharg island terminal and against the fleet of tankers Iran uses to transport oil to safer terminals in the lower Gulf. However, Iraq has now demonstrated the increased range of its attacks, thanks to the acquisition of French-made Mirage F1 jets and the air force's mastery of in-flight refuelling. On 12 August, Iraqi jets carried out a heavy raid on Sirri island oil terminal, in the southern Gulf. This obliged Iran to shift oil export liftings to Larak island, near the Strait of Hormuz. In November, Larak too was hit in an Iraqi raid.

Despite the increase in the Iraqi attacks, Iran has still managed to maintain its oil export volumes, but evidently at a steadily rising cost in repairing or replacing damaged equipment and shuttle tankers.

### Shipping attacks

Iran has responded to this Iraqi pressure by attacking neutral shipping in the Gulf.

Victims have tended to be tankers and bulk carriers trading with Arab Gulf countries. In recent months, vessels serving Kuwait in particular have been singled out for Iranian attack. Lloyd's reports that 12 vessels trading with Kuwait have been hit since the end of July. In the first two weeks of January, four tankers serving Kuwait were attacked.

The threat to merchant shipping in the Gulf is only one example of the wider implications of the Iran-Iraq conflict. Within the region, the Arab Gulf states have taken pains not to antagonise Iran, despite their public support for Iraq. Their priority is their own individual and collective security. To ensure this requires the existence of an understanding with whichever of the two main regional powers — Iran or Iraq — emerges on top.

Iran has recently been able to claim with more assurance that its status is belatedly being acknowledged by regional and international powers. The past year has seen the revelation that Washington has been striving — often in the most bizarre fashion — to establish a serious political relationship with Tehran. It has also emerged that Saudi Arabia has sold refined petroleum products to Iran, following Iraqi air attacks on Iranian refineries.

But while Iran has been able to assert its claim to being the dominant regional power, it has still failed in its cherished aim of humbling Saddam Hussain. The stalemate seems set to continue, but with ever-more destructive implications. As Egypt's Defence Minister, Field Marshal Mohamed Abdel-Halim Abu Ghazala, pointed out in a late-1986 interview with the New York Times, one of the few aspects of the war that has changed over the past seven years has been the technology of destruction.

[Box, pp 6, 7]

Jonathan Crusoe

THERE seems little prospect of radical change in Iraq this year — assuming nothing dramatic happens on the war front. The composition of the government is not expected to alter, and the economic outlook appears stable, if grim.

What is different is the absence of the optimism that marked the start of 1986, when new oil export capacity was expected to boost revenues, and enable the government to increase import spending and continue development.

In the event, the oil price collapsed and a lengthy period of intense fighting in the Gulf war proved an unexpected drain on resources. Iraq was forced to continue — extend, in some cases — its programme of deferring repayments. Rafidain Bank's reputation took a severe knock when it was unable to meet repayments on short-term commercial debt.

The government found itself cutting back on import spending, possibly by as much as 60 per cent. By the end of the year, there were

reports of severe shortages of some items — although expatriates say the food situation was not as bad as in 1982.

The progress of the war and the oil price will continue to govern economic policy in 1987. Food is expected to be one import priority: there are signs that the government intends to stockpile to avoid shortages. Another priority — as in the past seven years — will be imports of goods that support the war effort (MEED 10:1:87, Iraq).

Revenues are expected to recover to around \$9,000 million this year. With oil export capacity now at 1.5 million barrels a day (b/d), and assuming an average first-half oil price of \$17 a barrel, income will total about \$4,600 million in January-June. Any price drop in the second half should be partly offset by completion of a pipeline expansion across Turkey. This is intended to increase export capacity to 2 million b/d.

If the government can prevent Iran from

making any significant advances, and can control the pace of fighting, the cost of the conflict in 1987 could be considerably less than in 1986. But while the air force continues to play a more active role, the cost will remain significant.

Baghdad will go on trying to defer medium-term debt, and will look to Kuwait and Saudi Arabia to sell Divided Zone crude on its behalf. Riyadh will also be expected to provide other, unspecified aid for the war effort.

Other help will come from the UK, which has already promised finance for goods and capital equipment. However, Baghdad used none of the British money allocated for development projects in 1986, preferring to go ahead with schemes financed by a Soviet line of credit.

All new projects will be scrutinised very carefully in 1987 — not only by Baghdad, but also by other countries' export credit agencies.

[Box, p 8]

Vahe Petrossian

IRAN faces a second year of serious economic problems in 1987 unless it achieves its stated objective of ending the Gulf war by spring. However, there is little doubt that it will manage to limp along for the foreseeable future — unless it loses its remaining oil export installations.

Financial prospects have improved since 1986, when collapsing oil prices reduced foreign exchange earnings to \$6,000 million-8,000 million — forcing severe import cuts and an industrial slowdown. Assuming oil prices stay at the higher levels of late 1986, exports in 1987, now estimated at about 1.5 million barrels a day (b/d), should produce foreign exchange revenue of roughly \$10,000 million — 20 to 40 per cent more than in 1986.

The draft budget for the Iranian year starting 21 March, aims to maintain spending at current levels. Taking inflation into account, this would indicate more severe austerity than in 1986, however, the government is believed to be trying to provide for the worst possible case.

The current account, which registered a surplus of around \$1,500 million in the year ended 20 March 1986, is likely to be in deficit by about \$2,000 million this year. A similar deficit may be recorded in the Iranian year starting 21 March.

Bank Markazi (central bank) has relatively healthy foreign exchange reserves of about \$6,000 million. In 1986, the government drew down the reserves, but with higher oil revenues projected for 1987, it may not have to touch them again.

The effects of the austerity regime imposed in 1986 were exacerbated by Iraqi air attacks against industrial complexes, oil refineries and power stations. These raids may well increase in 1987 — forcing further petrol, fuel and electricity shortages. The impact of these economic problems is clearly visible in daily life, but there is no evidence it will become intolerable in the near future. Only if oil exports are brought to a complete — or near-complete — halt will the economy be in real trouble.

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## INDUSTRIAL, COMMERCIAL ACTIVITIES, EXPORTS-IMPORTS REPORTED

London MEED/THE MIDDLE EAST'S BUSINESS WEEKLY in English 17 Jan 87 pp 13-14

## [Text]

Bids have been invited for the supply of several satellite stations. Among western firms considering putting in offers is West Germany's **Siemens**. The stations are likely to be used to expand the internal communications network, industry sources say.

China has signed a letter of intent to launch a communications satellite for Iran according to the Washington-based Aviation Week & Space Technology. According to the agreement, **Great Wall Industry Corporation** is to send the satellite into space aboard the Long March 3 launcher it has offered to international customers.

Iran is reported to have erected two earth satellite stations to supplement the Assadabad station, which was built before the 1979 revolution. Assadabad, and a microwave link via Turkey, have been Iran's only telecommunications links with the outside world in recent years — connections that have been cut at least twice by Iraqi air raids. Unconfirmed reports from Tehran say the new stations are further east.

## IN BRIEF

● Sri Lanka is to buy 240,000 tonnes of crude oil in 1987, in exchange for Iranian tea purchases of at least 13 million kilos, according to an agreement reached in Tehran by visiting Finance & Planning Minister Ronnie de Mel. Earlier reports had indicated Sri Lanka's oil purchases would total only 120,000 tonnes (MEED 20.12.86).

● The Defence Ministry has denied a report that it tried to buy 12 West German Transall C-160 military transport aircraft. Munich-based **Messerschmitt-Boellkow-Blohm (MBB)**, which builds the aircraft with French co-operation, said in early January that Iran had initiated purchase talks in early 1986, but the deal was vetoed by the Bonn government (MEED 10.1.87).

● Hungary's exports to Iran in the first nine

months of 1986 dropped to \$29 million — only one-third of the previous year's level. **Moscow Narodny Bank** says imports climbed nearly 10-fold to \$64 million.

● Czechoslovakia is discussing the establishment of joint industrial projects, including a machine tool works, an industrial pump manufacturing factory and a repair shop for power stations. Czechoslovakia will buy some of the schemes' products. Foreign Trade Minister Bohumil Urban says. He visited Tehran in mid-January for the fifth session of the joint economic commission.

● Romania is negotiating the possible purchase of 2 million tonnes of Iranian crude oil a year. Oil Minister Gholamreza Aqazadeh says. A senior Romanian official visited Tehran in early January.

● Foreign Affairs Minister Ali Akbar Velayati visited Belgrade in mid-January for talks about various issues, including the non-aligned movement, the state radio reports.

● The local **Chimi Karun** plans to set up a complex producing furalal, and acetic and formic acid. It has invited prequalification documents from foreign firms. The company is part-owned by **National Iranian Oil Company (NIOC)**.

● About \$100 million in foreign exchange has been allocated to small industries to help them to increase output, Commerce Minister Hassan Abedi Jaafan says. The sum — apparently for fiscal 1987/88 — will be used to import raw materials.

● Pakistan is to supply 1 million tons of wheat between February-May.

● Iran has rescheduled debts from Sudan totalling \$80 million, the Kuwait daily Al-Watan reports from Cairo. The Energy & Mining Ministry in Khartoum says Sudan is to import 250,000 tonnes of Iranian crude oil according to the terms of a \$100 million barter deal concluded recently (see Iran). Sudan's Prime Minister Sadiq el-Mahdi visited Tehran in late December (MEED 3.1.87).

## BRIEFS

CONTACTS ON AFGHANISTAN--Arab diplomatic sources have disclosed the existence of "covert coordination and consultation" between Iranian officials and certain Arab parties concerning developments in Afghanistan and the provision of additional aid to the Afghani rebels. The sources said that last week's visit to Tehran by Burhan-al-Din Rabbani, leader of the "Islamic Grouping," one of the main Afghani resistance organizations, at the invitation of the Iranian Foreign Ministry, comes under the heading of "coordination and consultation" between Iran and Arab parties. This was Rabbani's first visit to Tehran since Soviet forces entered Afghanistan in December 1979. He was on an extensive international tour which included the United States, where he was received at the White House, and France, where he met with Prime Minister Jacques Chirac, and several African countries. The Arab sources expect that Rabbani's visit will pave the way for increased Iranian support for the Afghan rebels, which might affect relations between Tehran and Moscow. [Text] [Paris AL-MUSTAQBAL in Arabic 2 Jan 87 p 10] 8559

TURKISH HEADSCARF DECISION--The Majlis Supreme Education and Culture Commission issued a statement today criticizing the inhuman and anti-Islamic decision of the Turkish Government to prevent students who wear headscarves from attending Turkish universities. The statement urged the Iranian minister of higher education and culture to open the doors of Iranian universities to Muslim women in Iran, Turkey, and other countries who do not submit to degradation like Western women and who uphold Islamic thought. [Text] [Tehran International Service in Turkish 1830 GMT 29 Jan 87 NC] /8918

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## BRIEFS

KING ASKS FOR 'DEMOCRACY'--Katmandu, Jan 31 (AFP)--The Nepali Congress Party has said it will end its agitational role if King Birendra introduces full democracy in this country, a party spokesman said Saturday. Party President Khrishna Prasad Bhattarai made the pledge at a recent regional conference of the party, which was successfully completed despite attempts by members of Nepal's partyless national Panchayat (parliament) to obstruct it, the spokesman said. More than 1,500 members of the Nepali Congress Party, including its leader, Ganesh Man Singh, attended the 3-day conference which began on Tuesday at Gaindakot, some 320 kilometres (200 miles) southwest of here, the spokesman said. Mr Bhattarai told delegates that the agitational role of the party would come to an end if the king introduced full democracy in the country. "The Nepali congress will then work peacefully," he added. But Mr Bhattarai said that so long as the government refused to reform the country's political system "the Nepali congress would continue to organize such moves," meaning hold its own regional conferences. The party plans to hold another regional conference in central Nepal next week and a major conference here in mid-February when it is likely to draw up a political strategy for local Panchayat elections due in March. [Text] [Hong Kong AFP in English 1610 GMT 31 Jan 87 BK] /8918

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LTTE SECOND-IN-COMMAND ARRESTED

Colombo THE ISLAND in English 30 Jan 87 p 1

[Article by Norman Palihawadana]

[Text]

The LTTE's second in command in Batticaloa, Newton, is reported to have been captured by the Police commandos who stormed the camp at Kokkadicholai killing 48 terrorists on Wednesday, security sources said.

Also among those killed was the provincial leader Kumarappa, sources said.

The LTTE had rushed in reinforcements from Jaffna under the leadership of the group's overall second in command Kittu.

Seven houses suspected of being used by the LTTE were burnt to cinders and hundreds of refugees were seen fleeing in boats from this eastern command base of the terrorists.

The Police commandos are reported to have detected that the entire outer perimeter

of the war torn village which had been rigged with some of the most powerful landmines used by terrorists.

As the the commando offensive on the village continued for the second day, the terrorists are reported to have sent SOSs to neighbouring area leaders for immediate reinforcements.

The commandos also captured the LTTE communications centre and seized walkie talkies and other sophisticated equipment, security sources said.

The following are the Police Commandos reported dead, according to security sources: I.P. K. Upali Fernando, S.I. D. A. P. Alwis, Sgt. Wijesinghe, PCs: Mahindaweera, Vijitha, Chandanakumara, Bandara, Ekanayake, Ajit, Wijepala, Somadasa, Tillekeratne and Sahabandu.

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## BRIEFS

SINHALA-TAMIL EXTREMIST CONTACTS--The National Intelligence Bureau has completely busted the Sinhala extremist organisations that were planning an armed overthrow of the government. This was revealed to "The Island" by intelligence sources. The two southern groups concerned are the Janatha Vimukthi Peramuna (New Tendency) and the Vikalpa Kandayama. Both these groups also have connections with Tamil separatists, the former with the PLOT and the latter with the EPRLF. The government last week announced that it would be shortly indicting 23 members of the Vikalpa Kandayama on 14 counts, including conspiracy to overthrow the state. Of the 23, 17 are in custody, while the rest are evading arrest. Some of those evading arrest are among the leaders of this group. Intelligence sources told "The Island" that not only had they busted the groups concerned but had enough information about their plans and activities to catch them if they attempt to regroup. The operation to break these groups was mounted by a specially created unit of the police. It had since been disbanded after doing its job. [By Qadri Ismail] [Text] [Colombo THE ISLAND in English 31 Jan 87 p 1] /13046

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